FBIS DAILY REPORT

CONTENTS

Latin America

28 Jul 87 FBIS-LAT-87-144 i

CARIBBEAN

CUBA

Soviet Official Attends Company Inauguration A 1
Further Reportage on 7th UNCTAD Conference A 1
Commission Members Elected A 1
'Dilatory Tactics' Noted A 1
Pinochet's 'Chilean Fascist Regime' Viewed A 2
Commentary on U.S. Troop Presence in Ecuador A 3
Havana Implements Emergency Water Supply Plan A 4
Fuel Consumption Exceeds Plan; Vigilance Required A 4

OTHER COUNTRIES

DOMINICAN REPUBLIC

Leftist Groups Support 28 July General Strike B 1
8 Explosions Reported [AFP] B 1
Speech to Nation by Balaguer B 2
Military Restricted [ACAN] B 2

GRENADA

Venezuela Promises Economic Development Aid B 3
Briefs: Senator Appointed B 4

HAITI

Anti-American Protests To Be Held 28 July B 4

CENTRAL AMERICA

EL SALVADOR

Costa Rican President Arrives on Official Visit [ACAN] F 1
Meets Duarte, Departs [ACAN] F 1
Foreign Minister Acevedo Denies Aiding Contras [DIARIO LATINO 22 Jul] F 2

HONDURAS

President Azcona Comments on Summit, Arias Plan H 1

NICARAGUA

H. Ortega on Materiel, Strategy in Central America I 1
Defense Minister Claims Contras Down to 6,000 [AFP] I 11

PANAMA

Further on Raid, Arrests at Diaz Herrera Residence J 1
FDP Issues Communique J 1
Television Details Arrest J 1
Calderon Confirms Arrest J 2
List of Arrestees J 2
Habeas Corpus Writs Filed J 3
Delvalle Denies 6 Deaths J 3
'Neighbors' Claim 3 Killed J 4
Diaz Reportedly on Island J 4
Government Official Denies Newspaper Closures J 5
Delvalle, Chiari De Leon Enforce Media Restriction J 6
Colombian Station Comments J 6
Bogota Interviews Opposition's Calderon on Crisis J 7
No Actions Taken Against Paredes, Arias Calderon J 8
General Strike 'Paralyzes' Panama City 27-28 July [AFP] J 9
Crusade Terms Strike 'Success' J 9
Ministers, Party Leaders Participate in Motorcade J 11
'Preview' of 31 July J 11
CRITICA 'Blames' U.S. Diplomat for Unrest [27 Jul] J 12

SOUTH AMERICA

ARGENTINA

Alfonsin Refutes Opponents of Economic Plan K 1
Foreign Ministry Official Holds Talks in Moscow [EFE] K 2
Labor Ministry Official on Labor Issues K 2

BOLIVIA

Government Declares Oil Centers 'Military Zones' L 1
Decree on Oil Intervention L 2
COB Leader Supports Strike L 3
To Declare Workers 'Deserters' L 4

BRAZIL

Bresser Expects Agreement With Creditors This Year M 1
UN To Provide $12 Million for Antidrug Campaign M 1
June Inflation Not To Exceed 3 Percent M 1
Army Minister Condemns Amnesty Proposal M 1
[O GLOBO 25 Jul]
Gallup Poll Shows Sarney's Popularity Increasing M 2

PARAGUAY

PDC 'Statement' on Supreme Court Decision Q 1
[LA TARDE 23 Jul]
Police Release Febrerista Party Leaders Q 1
[EL DIARIO 24 Jul]

SOVIET OFFICIAL ATTENDS COMPANY INAUGURATION

FL271957 Havana Radio Periodico del Aire in Spanish 1700 GMT 24 Jul 87

[Text] A contract for machinery and equipment worth some 195 million rubles was signed in Havana after the inauguration of the first technical and commercial center of the Soviet (Autoexport) company in Cuba. It is located in Valle Grande, in La Lisa municipality.

(Vladimir Konavalov), deputy minister of the automotive industry in the USSR, discussed the importance of the technical center, which will be mainly responsible for giving post-sale maintenance to the machinery and equipment that is provided, extending advice to clients, and helping to manufacture requested spare parts.

FURTHER REPORTAGE ON 7TH UNCTAD CONFERENCE

Commission Members Elected

FL272356 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Jul 87

[Text] Nominations for members of the Independent Commission of the South were presented today at the 7th UNCTAD Conference. Former Tanzanian President Julius Nyerere will preside over this commission. The members include Cuban Vice President Carlos Rafael Rodriguez and seven other Latin American representatives.

The Independent Commission of the South is responsible for representing governments of underdeveloped countries with practical solutions to their most pressing problems and how to apply these solutions.

'Dilatory Tactics' Noted

FL272052 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Jul 87

[Text] Dilatory tactics employed by the capitalist powers have kept the UNCTAD negotiations at an impasse, according to delegates of the Third World. Members of the Group of 77, which is comprised of 127 underdeveloped countries, have reported that the maneuvers were particularly evident in the committee dealing with international trade. In this regard, the sources say the representatives of industrialized capitalist countries are making an effort to ensure that everything related to trade is referred to the GATT, to which most of the underdeveloped countries do not belong.

The Group of 77 also reported that the capitalist powers have refused to recognize UNCTAD's role in negotiations regarding merchandise. Spokesmen for the Group of 77 indicated that, within the UNCTAD committee in charge of discussing resources, the industrialized capitalist countries are rejecting proposals intended to alleviate the Third World's foreign debt burden.

At the last UNCTAD meeting, the underdeveloped countries presented a number of proposals designed to resolve the critical economic situation with which they are afflicted. However, the capitalist countries remain insensitive to this drama.

The chairman of the conference, Bernard Chidzero of Zimbabwe, has made Saturday the deadline for the four working committees to present their reports.

The seventh UNCTAD conference began in Geneva on 9 July with the aim of finding effective measures to reactivate economic growth and development. It is scheduled to end on 31 July.

PINOCHET'S 'CHILEAN FASCIST REGIME' VIEWED

PA261822 Havana International Service in Spanish 2300 GMT 23 Jul 87

["Our America" commentary read by Manolo Ortega]

[Text] In the midst of differences about whether Augusto Pinochet should continue at the head of the Chilean fascist regime, as well as of growing popular actions, a document issued by the local Communist Party has emerged. The document calls for big demonstrations in September to further weaken the dictatorial mechanism. The document is of particular importance because it calls for many forms of activities against a regime that soon will celebrate its 14th anniversary in power. During that period the Chilean people have been the victims of torture, political assassinations, a lack of democracy, and brutal economic poverty.

The document notes that only a state of national turmoil, civil disobedience, and rebellion can generate conditions to hold truly free elections. The document therefore directly goes against the plebiscite dictator Augusto Pinochet is promoting and which he plans to use to remain at the head of the country after 1989, the year set for the plebiscite.

The document also goes against manipulations by Washington and some Chilean military officers who want to replace the worn-out dictator with a civilian responsive to the demands of the generals and of imperialism.

Two days after the Communist Party of Chile document was made known, the dictatorship announced it will adopt severe measures against the signers of the declaration and that it will file suits against LA EPOCA, FORTIN, ABSI, CAUCE, and ANALISIS, which published the document.

Experience, however, shows that in Chile, brute force is no longer a viable formula for those who are temporarily in power. There is no solution for the many the problems that 14 years of fascism can create especially under the liberal economy the dictatorial regime is implementing, shielded by Washington.

Institutional violence and that type of economic juggling, with its consequences -- the loss of capital, denationalization, and unemployment -- are reasons for the critical situation which the Chilean people are enduring and which, it is very clear, is unbearable.

According to data provided by the University of Chile's School of Agronomy, to satisfy adequately the food needs of the population, the people must have a minimum of 1557 calories, and a bit more than 41 grams of protein per person.

In 1971, under the Popular Unity government, the per capita consumption of calories was 2,364; 7 months it was less than 1,800.

Regarding protein, in 1972, again under the Popular Unity government, per capita consumption rose to 64 grams; in 1986 consumption dropped to 48 grams.

This indicates that the Chilean masses are going hungry, literally speaking.

International reports indicate that between 1979 and 1981, Chile was in the category of nutritional-risk country, a situation that has deteriorated as time passed. For example, in 1984, 61 percent of the Chilean homes could not satisfy their nutritional needs.

It is obvious that the impossibility of satisfying a right as elemental as that of having food to eat makes the people's blood boil, and this is nothing but one tiny aspect of the Chilean drama. This is why observers have no doubt that the 14th anniversary of the fascist dictatorship will become a strong struggle that will speed up the return of the country to democracy and a life of dignity.

COMMENTARY ON U.S. TROOP PRESENCE IN ECUADOR

PA252150 Havana International Service in Spanish 2300 GMT 22 Jul 87

["Our America" commentary read by Norberto Hernandez]

[Text] Ecuador is again in a turmoil about the presence of a new contingent of U.S. troops in its territory. On this occasion, the U.S. troops' presence has been rejected even by the National Congress, but the decision was countered by President Leon Febres Cordero's government. This implies that the presence of U.S. military forces in certain Latin American nations even causes serious disagreements between the executive and legislative branches. This, in turn, undermines the country's institutional order.

The Ecuadoran Congress debate lasted 12 hours, and its members said the memorandum on the agreement signed between Quito and Washington, allowing U.S. troops in the country allegedly to carry out engineering work in the Amazon area, was unconstitutional. The parliament's resolution was also sent to the legislative branches of the other Latin American countries and the United States, as a public statement that the Ecuadoran Congress opposes such a government decision. However, the team led by Leon Febres Cordero vetoed the legislative decision and argued that the construction by U.S. Forces benefits the people in Napo Province and the rest of the population.

According to the reports, 6,000 U.S. Reserve Forces members currently participate in the construction of several roads, as part of a military engineering exercise that experts link with U.S. imperialism's plans to create an infrastructure capable of ensuring its direct intervention in our region -- in case of a revolutionary war. The experts' suspicions are objective if we recall that U.S. troops have arrived in Bolivia under the pretext of fighting against drug trafficking, and top U.S. military echelons clearly admit their plans to create favorable conditions in Latin America so the zone that is considered their natural back yard does not become an area that harms U.S. imperalism's hegemonic plans.

Referring to the topic, it is appropriate to recall the document sent to Chilean military officers by John Galvin, former chief of the United States Southern Command, in which he asserted that Washington could mobilize its troops in several South American countries to crush an uprisal. This supports the Ecuadoran politicians' thesis that the so-called road construction that 15,000 [figures as heard] U.S. soldiers are carrying out in the Amazon region of Archidona in fact represents a training exercise included in specific Pentagon plans concerning our continent.

The pretexts may be many but the goal is always the same, and at this historic moment, it is very difficult to believe Washington will genuinely engage in charity work throughout Latin America -- particularly when the alleged benefactors wear uniforms and are armed to the teeth.

HAVANA IMPLEMENTS EMERGENCY WATER SUPPLY PLAN

FL250300 Havana Television Service in Spanish 0000 GMT 25 Jul 87

[Text] Havana's People's Government is implementing an emergency plan to deal with the critical water supply situation existing in Havana. The measures include the imminent exploitation of El Gato pipe line and the completion of projects that will allow the flow of the Ariguanabo water supply center to the southern basin and transfer water from the west to the center and eastern part of the capital. Water wells in the areas of Vento, Paso Seco, and Cuatro Caminos will be exploited and others will be drilled in Ariguanabo and the southern basin. Also, 40 vehicles -- trucks and reservoir tanks -- will be assigned to supply the population and the province's socioeconomic facilities. Water supplies for large consumers will be more strictly regulated. More water leaks in the city's main streets need to be repaired. A rehabilitation plan of Havana's aqueduct network will begin next year.

FUEL CONSUMPTION EXCEEDS PLAN; VIGILANCE REQUIRED

FL161848 Havana Television Service in Spanish 0000 GMT 16 Jul 87

[Text] As a result of energy overconsumption, the use of fuel has risen to 39,000 tons more than what was planned for the first 6 months of 1987. The private sector's consumption remained about the same as in 1986, taking into account 100,000 new customers this year. Nevertheless, the reduction is lower than what was predicted. The state sector's consumption was 13,000 tons of oil over the plan. This is found mostly in those factories and enterprises that are listed as low consumers, which gives cause for concern. Lack of vigilance could undoubtedly be a factor affecting these figures. In the first 10 days of July, there should have been 317 million kilowatt-hours generated, but to that date the results show that overconsumption of energy is increasing.

DOMINICAN REPUBLIC

LEFTIST GROUPS SUPPORT 28 JUL GENERAL STRIKE

FL271318 Santo Domingo Cadena Brea Pena in Spanish 1028 GMT 27 Jul 87

[Text] Several left-wing political organizations have come out in favor of the strike that the trade unions have called for tomorrow to demand a general wage hike. The [Anti-imperialist] Patriotic Union [UPA], the Communist Labor party [Partido Comunista del Trabajo -- PCT], the Dominican Communist Party [PCD], the Dominican Workers Party [Partido de los Trabajadores Dominicanos -- PTD], and the Movement of the United Left [Movimiento de la Izquierda Unida -- MIU] have all said the strike is justified. The stoppage is a natural decision by almost all Dominicans in view of the governmmt's repeated refusal to solve the main problems of the country's poor.

The UPA, PCT, PCD, PTD, and MIU have appealed to the Dominican people to support this civic protest of the workers who are demanding the rights promised to them since Trujillo's times.

8 Explosions Reported

PA280146 Paris AFP in Spanish 0036 GMT 28 Jul 87

[Text] Santo Domingo, 27 (AFP) -- Eight explosions within the last 24 hours marked with unrest and violence the eve of the general strike called for tomorrow by the Dominican trade unions to demand salary increases.

A so-called "Maximiliano Gomez Revolutionary Brigade" today called for the Santo Domingo newspaper ULTIMA HORA claiming responsibility for the attacks in a statement addressed "to the popular sectors and the poor community of the country."

The clandestine group, which bears the name of Maximiliano Gomez, a leftist militant murdered in Brussels in the seventies, claimed responsibility in past months for explosions in the capital and in Santiago, second largest city in the country.

Of the eight attacks occurring early this morning and this afternoon, seven were against offices and installations of the state-owned Dominican Electricity Company (CDE), and the last one against the Altar of the Fatherland, where the remains of important men of the country are laid to rest.

In all cases, they were minor explosions which caused hardly any damage, according to the police.

During the weekend, three other devices exploded in a street, in front of a telephone company office, and in another CDE locale.

The CDE labor union is on a war footing against the company to protest the dismissal of about 300 employees last month.

The anonymous spokesman of the Maximiliano Gomez Brigade warned that "revolutionary combat actions will continue against the ruling class, responding with violence to the violence of the ruling class."

The attacks, he added, are in support of tomorrow's general strike, and he urged "all popular sectors" to join the strike.

The organizations sponsoring the strike, united in the Committee for Trade Union Unity, today set a 24-hour term for the strike, which will begin as of 0600 hours time tomorrow.

Francisco Antonio Santos, secretary general of the General Central Organization of Workers (CGT), urged laborers and employees to support the strike massively, to remain at home in a disciplined manner and to not "fall for provocations."

Before this disturbing strike takes place, there is expectation about the speech that will be delivered to the country by President Joaquin Balaguer, who is certain to refer to the situation caused by the strike, although observers feel that everything has been said and there will be nothing new to modify the call to strike.

Speech To Nation By Balaguer

FL280228 [Editorial Report] Santo Domingo Domestic Service in Spanish at 0025 GMT on 28 July begins live coverage of Dominican President Joaquin Balaguer's speech to the nation from the National Palace.

President Balaguer begins discussing the 28 July strike which the trade unions have called to demand a wage increase of 400 pesos a month. Balaguer notes that "problems have been created by the demand for a wage increase through the avenue proposed." "The wage increase proposed by the trade unions," says Balaguer, "will considerably increase the demand for all kinds of articles produced by industries." In addition, he says, "a minimum wage of 400 pesos a month for the public servant would cost the [word indistinct] state 40 million pesos a month." The government needs that money for "solving the electrical energy problem so that there are no further interruptions in service," he says. He also points out that the government needs the funds "to solve the problems of the aqueducts, the water problem, so that women do not have to go great distances to get their portion of water for cooking." The funds are also needed to solve "the public transportation problem, which would benefit the workers themselves," he says, "as well as solving the health and education problems". These projects will have to be interrupted, says Balaguer, if the unions' demands are met.

Balaguer says that the public has suffered from these demands and he says "it is just" that the trade union organizations "accept our proposal."

Military Restricted

PA280219 Panama City ACAN in Spanish 0123 GMT 28 Jul 87

[Excerpt] Santo Domingo, 27 Jul (EFE) -- Dominican Defense Minister Lieutenant General Antonio Imbert Barrera has announced that military men will be restricted to quarters as of today throughout the country in view of the 24-hour general strike the labor unions have called for tomorrow, Tuesday.

Imbert said that the Navy, Army, and the Air Force will be restricted to quarters as of tonight, although "we are not thinking that something bad might happen, but rather taking a measure to prevent any provocation."

Meanwhile, delegates from the nine Dominican unions met today and decided the strike would be for 24 hours, although last week it had been called for an indefinite period of time, until the monthly minimum wage is increased from 250 pesos ($75) to 400 pesos ($125) and an adjustment is made for those earning up to 1,500 pesos ($450).

The national strike committee, made up of the labor unions, reaffirmed that the strike will be a peaceful one and requested that the businessmen not open their establishments and that the passenger transportation drivers and drivers in general not go out on the streets. [passage omitted]

GRENADA

VENEZUELA PROMISES ECONOMIC DEVELOPMENT AID

FL202204 Bridgetown CANA in English 2047 GMT 18 Jul 87

[Text] St George's, Grenada, July 18, CANA -- President Jaime Lusinchi of Venezuela today ended a 20-hour visit to Grenada in which he vowed to assist Grenada's economic development. Lusinchi said his country's support to the Caribbean island was in the interests of its own self-defence. We realise whatever happens in the Caribbean affects us all well, he said. Grenada is a country near to us geographically. Lusinchi said the stepped-up aid to Grenada, 140km (85 miles) off Venezuela, would be aimed at promoting econmic justice and social development. Venezuela has a broad aid programme to Grenada, having distributed U.S. 3.5 million dollars in aid -- about 400 dollars per inhabitant -- since 1979.

Lusinchi said Venezuela did not seek imperial domination of the Caribbean.

U.S. troops invaded Grenada in October 1983, ending four years of rule by Marxists who had extensive ties to Cuba. Democracy was restored with elections in December 1984.

Venezuelan officials said their economic aid to the Caribbean was aimed at heading off Cuban influence in the region. We don't want a little Cuba appearing on one island and then a little Cuba on another, Hector Hurtado, head of Venezuela's aid programme, said in explaining the aid. Memories of Cuban intervention are fresh in Venezuela, whose military battled Cuban-backed leftist insurgents in the 1960s.

Venezuela views the latest security threat as the cocaine trade in its country and the Caribbean. It signed an anti-narcotics accord yesterday with Grenada. The agreement permits Venezuelan and Grenadian boats and aircraft to pursue suspected drug traffickers in each others territory.

Grenada Prime Minister Herbert Blaize told reporters last night that Lusinchi has promised to assist Grenada employment-generating projects. According to Blaize the Venezuelan head of state invited him to send to Caracas a delegation to discuss projects in areas such as hotel construction, housing, and manufacturing. "I have accepted the invitation gratefully. I would soon send a team to Venezuela," he said. He said that officials from the state-run Industrial Development Corporation (IDC) would form part of the Grenada delegation which would be going to Venezuela for further talks.

Venezuela, the only South American country with an embassy in Grenada, has been providing the island with assistance in areas such as fisheries, housing, and sports.

Before leaving Grenada, Lusinchi held an unscheduled 50-minute meeting with opposition leaders who described the session as "very cordial." Present were George Brizan, Francis Alexis, and Phinsley St Louis who have all resigned from Blaize's administration within the past 18 months.

BRIEFS

SENATOR APPOINTED -- St George's, Grenada, July 15, CANA -- A medical doctor, Stan Friday, was today appointed a government senator in Grenada. Friday replaces Jerome Joseph who resigned in April in support of three ministers who quit the government citing disagreement with labour and economic policies. Friday owns a restaurant and is an associate professor at the American off-shore medical school in Grenada. He made his first appearance in parliament today. [Text] [Bridgetown CANA in English 2018 GMT 15 July 87 FL]

HAITI

ANTI-AMERICAN PROTESTS TO BE HELD 28 JULY

FL272115 Port-au-Prince Radio Antilles-Internationales in French 1700 GMT 24 Jul 87

[Excerpt] The People's National Assembly [Assemblee Populaire Nationale] is organizing a big rally to be held Tuesday, 28 July, to remind the nation of what 28 July 1915 -- the date of the landing of the Yankees in Haiti -- represents in the national life of Haiti. Listen to one of the members of the Coordinating Committee of the People's National Assembly [Assemblee Nationale Populaire -- as heard], Jean Robert Lalanne.

[Begin Lalanne recording in Creole] Like [words indistinct] last week, we had sent out an invitation to all the progressive sectors that we ourselves are organizing a big people's assembly to be held on 28 July 1987, at 1600 on the Bicentennaire, in Charlemagne Peralte Square. The purpose of that assembly is to remind the Haitian people what 28 July 1915 means to us. Because too often, the upper class has means, its own means, with which to make us forget historic dates such as that one. Because actually, the upper class would not like the masses to understand what 28 July 1915 has meant for us.

And we who are working in the interests of the Haitian masses want to make the masses understand that when, on 28 July 1915, the American Yankees landed in Haiti, they did not come merely to restore order. They came to find a way to exploit all the country's wealth. And the upper class, and the too-often opportunistic middle class composed of intellectuals, threw in their lot with the Yankee Americans to exploit the country. And that is the reason we are today going through all that we are going through in Haiti.

If you look carefully, you will see it is not an incidental occurrence that Delatour [Minister of Finance and Economy] is shutting down factories and university schools and keeping small peasants from selling their creole pigs. We can say that it is a consequence of 28 July 1915, when the American Yankees landed in Haiti. And that is why we are being so ferociously exploited by American foreigners. And the resistance that we are also seeing today by the Haitian People -- for example, FENFH, the Federation of Haitian Students, struggling under the banner of Charlemagne Peralte -- is because the American Yankees nevertheless did encounter some resistance, especially among the peasant masses. The upper class and the middle class stayed in the capital making speeches and writing books, but the peasant masses took up arms in order to drive out the American Yankees.

And what we wish to commemorate at present is that resistance. We are not commemorating the date they arrived. We are commemorating the resistance they encountered, led by Charlemagne Peralte. And that is also why in that assembly we are going to have Manno [Emmanuel -- a singer] Charlemagne, who is a symbol, today, who is an artist of the Haitian masses. It is he who sings the woes of the Haitian masses. And that is why we expect many people to attend the rally. [passage omitted] [end recording]

COSTA RICAN PRESIDENT ARRIVES ON OFFICIAL VISIT

PA272232 Panama City ACAN in Spanish 1734 GMT 27 Jul 87

[Text] San Salvador, 27 Jul (ACAN-EFE) -- Costa Rican President Oscar Arias arrived at noon today at Ilopango Military Airport on the third leg of his tour of Central American.

President Arias, who is accompanied by Foreign Minister Rodrigo Madrigal Nieto and other Costa Rican Government officials, was met by President Jose Napoleon Duarte.

Arias began a tour of Central America on Sunday in an attempt to prevent a postponement of the "summit" scheduled for 6-7 August in Guatemala at which the peace plan for the region he proposed will be discussed.

Arias began the tour 2 weeks before the "summit." He first visited Nicaragua, then Honduras, and will leave late this afternoon for Guatemala.

Meets Duarte, Departs

PA280019 Panama City ACAN in Spanish 2228 GMT 27 Jul 87

[Text] San Salvador, 27 Jul (ACAN-EFE) -- Costa Rican President Oscar Arias left for Guatemala this afternoon after analyzing with his Salvadoran colleague, Jose Napoleon Duarte, the political situation in Central America and details of the upcoming "summit" of presidents of the region.

President Arias' aircraft departed at 1700 (2200 GMT) from the Ilopango Military Airport after being rendered the honors bestowed on presidents.

Arias completed the third leg of his tour of Central America in another effort to prevent the presidential "summit" scheduled for 6-7 August from being postponed.

Initially, the Central American "summit" scheduled for 25-26 June was postponed at the request of President Duarte, who was of the opinion that several meetings of the foreign ministers of the region should be held to prepare for the summit.

President Arias, who was accompanied by Coata Rican Foreign Minister Rodrigo Madrigal Nieto in his visit to El Salvador, met with Duarte and other officials of the Salvadoran Government.

Both presidents lunched together at noon and later held a news conference where they expressed the "imperative necessity" of securing peace, "despite the difficulties" to achieve it.

In his tour of Central America, Arias has already visited Nicaragua, Honduras, and El Salvador.

FOREIGN MINISTER ACEVEDO DENIES AIDING CONTRAS

PA251434 San Salvador DIARIO LATINO in Spanish 22 Jul 87 p 3

[Text] El Salvador has never considered lending any of its territory to be used as a military base for any foreign nation, Foreign Minister Ricardo Acevedo Peralta said yesterday.

"We are respectful of the principle of nonintervention in the domestic affairs of other countries," Acevedo Peralta emphatically added to the newsmen who interviewed him when he went to the Legislative Assembly to read a report on his ministry's work.

Referring again to Sandinist charges of an alleged military base in El Salvador to help the "contras" who are struggling to defeat the Nicaraguan regime, Acevedo Peralta pointed out that El Salvador will not help actions to politically destabilize other countries.

"Therefore, we cannot accept and we flatly reject such charges. The contrary has happened with the Iran-contra report in the U.S. Congress." [as published]

Acevedo Peralta added that "an informer recently reported that an FMLN flag had been found inside Nicaragua, in Managua. This shows once again the cooperation and logistical support that Managua is giving to the Salvadoran guerrillas."

He added that El Salvador does not believe violence, destabilization, and war are the means for reaching an understanding in Central America. El Salvador also does not believe isolating Nicaragua from the rest of the Central American democracies is the answer, he said.

Acevedo Peralta said that "there are no other means, other ways that must be sought to consolidate democracy in our five countries, or for the four democratic governments of Central America to defend themselves from the aggression being promoted by the Sandinist regime in the region."

In another part of his statements, Acevedo Peralta said that El Salvador has historical data and legal means on its side in the dispute with Honduras.

PRESIDENT AZCONA COMMENTS ON SUMMIT, ARIAS PLAN

PA271536 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 27 Jul 87

[Report by correspondents David Romero and Edgar Amado Lopez at the conclusion "yesterday" of the meeting between President Jose Azcona Hoyo and Costa Rican President Oscar Arias Sanchez; no place given -- passage within quotation marks recorded]

[Text] Yesterday, President Jose Azcona Hoyo seemed to be in agreement with the viewpoints of Costa Rican President Oscar Arias Sanchez. Likewise, he said the Honduran Government does not have many objections to the Arias peace plan:

[Azcona] "Well, I share the viewpoints of President Arias. We made that statement during the visit of the Guatemalan president. However, we said the plan should be more far-reaching, should be developed more in some areas, and that, perhaps, the sequence of events mentioned there should be changed. President Arias Sanchez has clearly stated he has not established a sequence of the events mentioned in his plan. [sentence as heard] We do not have major disagreements with the content of the Arias plan. It is offered as another effort. He is promoting the plan he has developed with his best intentions and to the best of his knowledge, and which could be the appropriate instrument to bring tranquillity to Central America."

The Honduran president excludes his government of any responsibility by not accepting the remarks by the Costa Rican Government or president to the effect that [words indistinct] are torpedoing the Arias plan.

[Azcona] "I have not heard this remark directly from President Arias. He is a very prudent person. I do not know what prompted him to say that. If he has reason to say that, we do not feel he is referring to us. We have never tried to torpedo the meeting."

[Words indistinct] Nicaragua could be an obstacle to have the summit meeting in Guatemala.

[Azcona] "To me, the main obstacle would be Nicaragua's refusal to accept an internal reconciliation."

Azcona Hoyo supported the Central American foreign ministers' meetings prior to the presidential summit meeting in Guatemala.

[Azcona] "The foreign ministers are solely involved in foreign relations matters between countries. They are not like the presidents, who must be involved in all matters. I believe it would be very appropriate to have the foreign ministers' meeting prior to the summit. We agreed on that with President Cerezo when he came here. He proposed three meetings. You were here when he left. You heard him say that. We consulted with President Jose Napoleon Duarte over the telephone and he was in total agreement. Afterward, the Costa Rican president agreed."

H. ORTEGA ON MATERIEL, STRATEGY IN CENTRAL AMERICA

PA222344 Managua Domestic Service in Spanish 1711 GMT 22 Jul 87

[News conference by Defense Minister General Humberto Ortega Saavedra with unidentified reporters at the Presidential Press and Information Office in Managua -- live]

[Text] We thought it would be a good idea to hold a brief meeting with you today to refer to some aspects of the grave situation of the increased U.S. interventionism continuing to affect our country. It also endangers the already conflict-ridden Central American situation. We are going to discuss these issues, beginning with a particular incident, the capture carried out by members of our special operations system who fight against the aerial supply system the CIA presently maintains for its mercenary forces in Military Region 5.

On 18 July, the EPS intelligence systems, who are also involved in the special actions against the enemy supply operation, and in conjuction with troops actually in the area, an enemy airlift commando was detected at daybreak on 19 July...[changes thought] this was on the night of the 17th, the airlift landing took place at daybreak on the 19th [sentence as heard]. The commando that landed was not able to fully carry out its mission with the cargo they had (?jettisoned) that same day, especially the Redeye [preceding word in English] which we will later discuss. They were then forced to flee due to pressure from our first patrols who arrived at the landing site of the commando. Part of the cargo was left abandoned at that site.

Of course, the most important part of this cargo was the Redeye M-14A3 [as heard] missile -- a third generation U.S. Army missile. This is the first missile of this type to be seized from the enemy and confirms our constant charge about direct U.S. involvement in the escalation of the war against Nicaragua through the delivery of sophisticated weapons from its own arsenals.

The special operations system engaged in stopping enemy aerial supply has had five successes in 1987. Well, actually this year it was four successes; however, October 1986, when we started fortifying the system to fight aerial supply, was when we started succeeding in placing obstacles in the path of one of the most vital elements in the interventionist war against Nicaragua, which the mercenary forces are continuing. In other words, at present, the mercenary forces are totally dependent on a continuous aerial supply to continue tactical operations in this country's territory. The U.S. has maintained and increased this supply operation these last few months, from El Salvador in particular.

On 5 October 1986, in the Tule River and San Juan River area, our system allowed us to down the plane of [Eugene] Hasenfus, whom we subsequently captured, an event known to all.

In addition, on 20 February 1987, at Loma Guariche, north of La Pinuela, that is to say, the central sector of the Atlantic coast, in the military Region 5, to the north of Chontales and Boaco Departments -- the region we call Central Zelaya -- we attacked the enemy supply lines. Our troops seized 7,000 lb of all kinds of supplies from the enemy. In addition, on Cerro Niagara, on the Punta Gorda River, southeast of Nueva Guinea, but still in military Region 5, our troops intercepted the enemy's airborne supplies on 7 June. Among other supplies, our men seized 70 rifles in good condition from the enemy.

Early in May, prior to the operation I have described, our troops scattered an airborne commando that arrived from El Salvador via the Hasenfus route with which we are all familiar. This commando was made up of eight paratroopers. Two of them were killed upon landing. Two of them showed up in San Jose on 12 May. They were presented to the local and international press by Costa Rican Public Security Minister Hernan Garron. These mercenaries were then turned over to the Costa Rican immigration authorities. This happened at the Llano del Venado sector, in the San Juan River area, northwest of San Miguelito.

We also seized eight helmets used by paratroopers when they jumped out of aircraft and the parachutes [words indistinct]. The last case is the one we have mentioned, which occurred at a place called Los Cerritos, 21 km south of Ateyapa, also in the 5th military region. At this time, the commando, which brought [words indistinct] abroad the plane, succeeded in reaching the drop zone. Nicaragua is now in the rainy season, and the climate is even more variable in this area. The weather prevented the paratroopers from landing at the precise drop point. Our special troops had already pinpointed this location. Men from our outermost ring detected the enemy's landing.

Early in the morning, our troops recovered the (?projectile), the helmets, and four parachutes. We also seized the container for the rocket, or missile, whose mechanism is very delicate. This missile is encased in a special container which is dropped. [words indistinct] so you can approach it later. This special container was fitted with tires to cushion the impact, in addition to the parachute. Naturally, this missile-carrying system is used by the U.S. Army. This missile is a device with a firing mechanism. The projectile is inside the device. You will also be able to see it later. It comes ready for firing. Three power sources were also seized, which you can see over there. These sources make it possible for them to try to hit the plane they want to shoot down. Such an attempt is possible for a very short time, because the source does not last for an indefinite period. There is only a limited time to aim the missile at the aircraft they want to down. If it is not done in the short time allotted, the system must use its reserve energy source, which you see over there.

As we were saying before, this missile is a third generation missile. The Americans had improved their portable antiaircraft system until they developed the well-known Stinger that the mercenary forces are also trying to [5-second break in reception]. It is a surface-to-air infrared, optically-guided, solid-propellant, high explosive missile. In optimum conditions, this generation of missile has a maximum range of 3,500-4,000 meters. That is the maximum range. Two men are needed to correctly handle this complex missile.

According to what we know, we must point out that no army in this area has this type of portable anti-aircraft system. Honduras may have it. As we have said, the indiscriminate use of this type of missile is very dangerous.

On various occasions, we have pointed out how serious it is for this type of armament to be used in the Central American region. We have records that show that for the U.S. escalation, it is practically becoming routine for terrorists, such as the mercenary forces, to use these means.

This is a great irresponsibility affecting the security of all kinds of air navigation in Central America.

Dozens of mercenaries had been trained in the use of this kind of missile at the Southern Command in Panama as of September 1984. They were trained to use it against all types of planes and helicopters. By January 1985, it was learned that initial practices with this type of surface-to-air missile had been carried out in the air and naval base in San Lorenzo and Nacaome [as heard], in Honduras by the mercenaries who were being directly trained by members of the U.S. Army.

We see then, how, from training, they go to practice in Honduras. In mid-1985, the training of about 30 mercenaries continued, by two U.S. advisers, in [word indistinct] in the more specialized use of these weapons. In May, 1985, Enrique Bermudez showed to U.S. news men, at the [name indistinct] training base in Honduras, that kind of missile. In May it was also learned that the mercenary forces were in possession of these missiles elsewhere, in particular, when they tried to contain our troops as we dislodged them from the farms in the country's southern region. In November 1985, at the CIM -- Military Instruction Center -- in Honduras, the international press was shown a similar-type weapon, a (C2m). It was learned afterward that in that same month several dozen mercenaries continued to train at Fort Sherman of the Southern Command in Panama in the use of these rockets, of which they had received a certain quantity.

Our first helicopter was downed with these rockets on 2 December 1985. It was an MI8 helicopter. The last thing we have -- well, there is a lot more, which I am not going to talk about in order not to make this too long -- the last thing were the statements by FDN mercenary Aristides Sanchez in February 1987. This individual is in charge of logistics for the FDN. He discussed the recent receipt of 30 of that kind of device, but of Soviet-make (C2m) and that they expected to receive up to 150 more of these anti-aircraft devices, once Congress had disbursed the remaining $40 million, which was the aid that [words indistinct] formerly.

One must take into account, concerning this, that up until very recently, up until these statements by Aristides Sanchez, there was talk about Soviet missiles, the (BM's); on occasion there was talk about the [word indistinct], there was also talk that the contras might be using a superior missile, a British Blowpipe, and there was also talk -- although less insistently -- about the Redeye, for which we are now making plans.

However, with all these facts we are discovering, it remains clear the United States is no longer disguising the delivery of equipment and missiles, as it had been doing before, when it still tried to half hide this, pointing out that these were Soviet (C2m's). What we are trying to clarify with this is that the weapons they are using are the weapons of the U.S. Army, which only the U.S. Army owns and that, as I repeat, no army in the region possesses. It was very difficult, up until this 1985 escalation, it was almost impossible to find in the regional black market, the weapons' black market -- one used to find rifles, cannon, mortars...but up until the years 1985 or 1986, it was difficult to find rockets such as this in this arms traffic. This rocket has greater anti-aircraft capabilities than the so-called SAM-7.

What we call the portable (C2m) rocket of Soviet manufacture, U.S. technology calls the SAM-7. This rocket, then, although similar to the Soviet rocket, has better properties [as heard]. This rocket is equivalent to what we also have here, which is the (C3m). We have the (C2m) and (C3m), a weapon similar to that rocket [as heard], regarding power and characteristics. After this, what follows is the Stinger.

Then, in the region at present, as you may see...[pauses] I was reviewing here some statements I made earlier, on 30 December 1985, when I spoke with the press and in February 1986, here is a summary of the things I pointed out regarding the danger inherent in the appearance of these rockets in the region.

Well, I briefly summarized how the United States has not really paid attention to the concern of our government and other responsible governments; quite the contrary, the United States stepped up the shipments of weapons to the mercenary forces and the quality of these weapons. In sum, they have also shipped -- in 1985, 1986, and up to this point -- considerable amounts of Soviet equipment. It is also important to mention that [words indistinct] also had Soviet equipment at their disposal. The equipment was delivered by the United States and was obtained by the CIA in other regions.

Now the United States [words indistinct] the Redeye to the mercenary forces. In other words, it has been ascertained that the mercenary forces use the Soviet-made (?0-M) and the U.S.-made Redeye, which we show here. We believe the mercenary forces currently have no less than 200 weapons at their disposal. [Words indistinct] we have learned that [words indistinct] mercenary forces which operated in southern Nicaragua and were disbanded by the defeats which they suffered throughout 1985-86 have now gone to Costa Rica. Some of them have now become fishermen; others have resorted to vandalism and crime; and others have chosen another type of [words indistinct] with the CIA.

We have learned that these mercenary forces' leaders or commanders have lost control not only of [words indistinct] type of weapon. The defeated mercenary forces which are in Honduras and Costa Rica hide these weapons -- which later join the uncontrollable traffic of weapons that the United States, itself, has been sponsoring in the region. Consequently, this type of weapon is being trafficked in the region and [words indistinct] to appear in the Republic of [name indistinct] in the hands of different internal or external forces [words indistinct]. It would not be strange if dozens of these weapons appear in the hands of those extreme right or left forces [words indistinct] can purchase in the market which the United States has almost single-handedly opened.

Referring to this, we will avail ourselves of the occasion to issue an alert about the grave danger this entails, because this weapon [words indistinct] in the hands [words indistinct] can lead to an uncontrollable [words indistinct] which can seriously endanger air navigation in the region. [Words indistinct] with one of these weapons, which can be easily obtained for this purpose. [Words indistinct] our country and in the region [words indistinct]. Therefore, we simply wanted to show these weapons to the news media, to satisfy their curiosity. We wanted to avail ourselves of the occasion to prove what we say to the news media.

I would also like to avail myself of this occasion to talk about the mercenary forces which were defeated in southern Nicaragua and have escaped to Costa Rica. We have learned that many weapons are being... [corrects himself] have been (?stored in chaches).

We have been informed that some of our militia continue [words indistinct] in Costa Rica, that this type of situation... [changes thought] there are sectors that do not want to coexist with Nicaragua, they do not agree to conduct normal relations with Nicaragua; therefore, it serves them that Costa Rican rights sectors oppose the efforts that we [as heard], the Costa Rican and Nicaraguan Governments, have been making to improve the situation... [changes thought] we know that there are forces interested in taking advantage of that situation caused by the arrival of contras [words indistinct] to [word indistinct] armament, the [word indistinct] and other things to involve Nicaragua in destabilizing campaigns that Nicaragua could [words indistinct] against Costa Rica.

How? Well, the Costa Rican press has been saying that Nicaragua has plans for destabilizations, that it is going to conduct a sort of massive checking of Nicaraguans, etc., to aggravate the already tense situations that Costa Rica has with the problem of the refugees and immigrants. That is completely false.

We have now learned that as part of that campaign, that alleged campaign of [word indistinct] Nicaragua against Costa Rica, they [not further identified] could use all those weapons caches, arms, and those kinds of things that the contras have organized there to involve Nicaragua [words indistinct] Costa Rica.

In fact, yesterday, Salvadoran President Duarte said Nicaragua is also destabilizing El Salvador [words indistinct], when it is obvious that Mr Duarte is the perfect heir to the U.S. interventionist policy, and has been openly lending himself as the main support for the airborne and logistical activities the United States conducts in an effort to save its mercenary forces from the accelerated process of defeat, a process they are subject to now. [passage omitted]

It is President Duarte who supports the CIA and the United States regarding the mercenary forces' air transport. He has helped them to introduce that type of means and to worsen the problem in our country. They are the people who are contributing the the U.S. efforts to destabilize the Nicaraguan society, process, and revolution.

Finally, I want to say that the type of commando they are landing to increase their forces as much as possible cannot be deployed through air means. In view of the rainy season in the mountain regions, they have problems with returning, as well as with introducing, and infiltrating their units from Honduras. They offer air support to aid the logistical situation of the infiltrated forces, and as a means to introduce specialized forces, commandos, who, through their presence in some territories, try to appear to the U.S. politicians as militaristic forces to justify the increased intervention and the request made to the U.S. Congress to openly support the mercenary forces. They try to conduct spectacular actions such as downing helicopters or planes that are monitoring the area occupied by those commandos.

[Words indistinct] so they can easily operate from there to [words indistinct]. In other words, those units or that U.S. plan to use those actions as a substitute because they lack an offensive military force that they cannot maintain [words indistinct] with spectacular actions, attacks, and terrorist actions carried out by specialized commandos.

Therefore, they cannot present to the U.S. Congress, U.S. public opinion, and international opinion the necessary level of military action. That is why terrorist attacks on economic and civilian targets are being carried out with increasing frequency, and why more and more of those commandos are being deployed. However, we are more and more successful at obstructing them through our specialized operation systems. We know that we will succeed in [word indistinct].

In addition to those operations, we know they need some [words indistinct] with Honduras. For example, the indiscriminate use of Piranha boats. On 19 July, on approximately [as heard] 17 or 18 July, we located [words indistinct] a group of at least 16 Piranha boats [words indistinct] in the Gulf of Fonseca. [6-second break in reception]

We are reviewing preliminary information on the [word indistinct] of larger boats such as Piranha boats that operate near our coasts. In other words, they have... [changes thought] we must accept the use of Piranha boats, the use of specialized commandos, the attacks we mentioned before, the enemy plans to create situations of conflict in [words indistinct] plans to involve Nicaragua in an attack on Cardinal Obando y Bravo. As you know, he maintains a position against the revolution and they will logically make plans to attack him and to blame the Sandinists for the attack. Consequently, this was also part of their plans. [passage indistinct] Following the last presidential summit in Esquipulas, which was attended by President Ortega, we learned that the extreme rightwing sectors in Guatemala had plotted against President Ortega, but could not carry out their plans simply due to operational problems.

The plans even stated that if Duarte himself, or Honduran President Azcona died during the attack it did not matter, so long as they could strike at the main figure within the Nicaraguan Government, meaning President Daniel Ortega. The plans sought to kill a Sandinist and revolutionary leader because this would favor the large-scale plans to oust the Nicaraguan Government and the Sandinist revolution.

In sum, this is what I wanted to tell you. You may now approach the table and take pictures of anything you want. Before we conclude, if you have any questions on this topic, we are prepared to answer them.

[Reporter] The international news agencies have issued reports from Costa Rica concerning some incidents on your southern border and some mortar attacks reportedly launched from Nicaraguan territory on Costa Rican positions. [Sentence indistinct]

[Ortega] Correct. We have made efforts in recent months, and the Costa Rican authorities have made efforts in recent months to implement a series of measures that allow us to clarify and settle situations that may arise. [words indistinct] an airplane that (?brought supplies) to the enemy and was hit by our antiaircraft batteries; it crashed in Costa Rican territory. We notified the Costa Rican authorities of this in due time and we learned that Costa Rican units were sent to look for the aircraft that crashed in Costa Rican territory. This was...this is...this occurred recently, did it not?

The Yankees themselves -- through their electronic installations in Panama -- knew of the danger... [changes thought] the aircraft's problems after it was hit by our fire. They notified the Costa Rican authorities and [passage indistinct]. They cannot cover up the event. Consequently, certain sectors in Costa Rica are interested in hindering the process of constructive development that we are carrying out. That is the main reason behind all this. We do not represent a danger and things did not happen as they claim. Another question?

[Reporter] Commander, information issued by the rebels in Costa Rica and Honduras indicates that [words indistinct]. What...

[Ortega] What is the figure?

[Reporter] Some 205 operations from late last year to this day.

[Ortega] We logically... [changes thought] it is not 205. We think our troops have engaged in many more actions. However, they have been disbanded because they cannot withstand our greater (?numbers), so they [word indistinct] more actions -- but in reduced number and strength. The truth is that we have increased our actions against them.

[Reporter] Commander, President Ortega said on 19 July that there is no possibility of talking with the United States. He also said there is no possibility of negotiating with the United States. He also said that the U.S. Congress -- where the Democrats have a majority -- is an accomplice of the maneuvers currently underway. Within this context, what possibilities do you see for a direct aggression and what characteristics would it have?

[Ortega] Well, we have said quite clearly that Nicaragua is facing an escalated interventionist war. This is a classical example of the low intensity war [words indistinct] the United States' propaganda to minimize the costs of the war [words indistinct] against our people. The United States never planned for a low intensity war here, or else they would not have built the superior U.S. military installations that they already have [words indistinct]. If they had plans for a low intensity war with the mercenary forces' participation, they would have begun to build their installations in 1987 and... [changes thought] of course, everything would have been done according to plan. [Words indistinct] but they worked according to a basic strategy and some complementary measures. [passage indistinct]

Consequently, Reagan has no intention of negotiating or seeking a solution. We see how [the United States] is directly delivering the supplies; we see how it is flooding the Central American region with these weapons. Sooner or later all right-wing and left-wing sectors in the area will be able to have these weapons. What, then, will be the outcome if the situation becomes worse? The United States is implementing [words indistinct] the war process that will (?eventually lead) to a direct intervention [words indistinct].

Therefore, we know the United States [as heard] will not change (?its strategy) at the U.S. Congress [words indistinct].

The United States and President Reagan are being [words indistinct] by the statements which are being issued by [Oliver] North and [John] Poindexter concerning the United States' direct participation in this war. This does not only include the aid the United States simply offers; it involves the resources systematically sent and the United States' presence in the region -- plus the involvement of its military satellites, meaning Honduras and El Salvador.

So long as the United States does not change its imperialist policy -- for example, the policy currently being implemented in Panama [words indistinct] in Panama, which does not have the characteristics [passage indistinct]. So, you can see we are making efforts to achieve a solution to our situation.

[Reporter] General Ortega, your government has already warned the Costa Rican Government about the mercenary groups' plans. Are these mercenary actions aimed at boycotting the presidential summit that will be held on 6-7 August in Guatemala?

[Ortega] [Words indistinct] The situation that might arise in Guatemala is worrisome. It is worrisome and we should not rule out that the [words indistinct] meeting in Guatemala. Nevertheless, President Ortega has reasserted that Nicaragua will (?attend the summit) and we are willing to make efforts. Referring to the case of Costa Rica, the contras -- and the CIA -- are exerting themselves to the utmost to undermine its relations with Nicaragua and thus hinder the efforts to attain better relations with (?the Nicaraguan revolution). They will exert themselves to the utmost to attain this goal [words indistinct].

[Reporter] General, has there been a change concerning [words indistinct] aid to the contras? I also wanted to ask you: How much longer can the EPS carry out [words indistinct]?

[Ortega] Our problem is not the aid sent to the contras [words indistinct] that the United States continues to strengthen in every way to directly attack [words indistinct]. Our Army would have no problem if the Congress... [changes thought] the Congress can give $100 million, $200 million, $300 million, or even $500 million to the FDN! They can do that! The FDN has not even been capable of managing the funds it received in the past. This is not a matter of giving them enough resources. They simply cannot manage the resources. [passage indistinct]. Consequently, the aid to the contras is not the main problem, because this aid [words indistinct]. The U.S. Government and certain sectors within the United States oppose Nicaragua and support Reagan's policy. Reagan is not fighting in Congress to get an additional $100 million; he wants to compromise the United States' policy [words indistinct].

[Reporter] General, I understand this is ome type of rocket and there are [words indistinct]. I would like to know: Did you seize some rockets or did you only seize the [words indistinct]?

[Ortega] [Answer indistinct].

[Reporter] [Question indistinct].

[Ortega] [Words indistinct] if you hold it with one hand [words indistinct] follows the airplane or other aircraft. If it runs out of time, then it will use another source [passage indistinct].

[Reporter] You mentioned a helicopter that was shot down by this type of weapon.

[Ortega] That is correct.

[Reporter] What are the Air Force figures concerning the helicopters you have lost?

[Ortega] We have lost -- shot down by rockets -- three helicopters. [Passage indistinct] and the one we lost during the clashes in San Andres de Bocay. In other words, two of our helicopters have been shot down this year and [words indistinct]. Also, some of our helicopters were hit by bullets during clashes, but they were not shot down. These are the exact figures [words indistinct].

[Reporter] What is the situation in the southern zone, following [words indistinct] June, the transfer of peasants, and the [words indistinct] offensive? Can we say the southern front [words indistinct]?

[Ortega] I think that we [words indistinct] general analysis. Generally speaking, our patrols have increased in the southern front following the [words indistinct] La Penca. This is being done along the road that goes from Rama to the south [words indistinct] to Central Zelaya, northern Matagalpa, and Boaco. [8-second break in transmission]

[Reporter] General, [words indistinct] commandos that jumped from helicopters or airplane with parachutes, or contras that landed with parachutes. Could you expand on this information [words indistinct]?

[Ortega] We will quickly (?explain this). I said the commandos jumped with parachutes and were captured [words indistinct], and the rest fled, the other rebels fled toward Costa Rica [words indistinct]. This was one case [words indistinct]. On this occasion, meaning the commando group that could not land in the exact area, [words indistinct] four parachutes and four helmets. One parachute had blood -- you can see the bloodstains on the parachute [words indistinct]. Consequently, this involves operations with the participations of special forces they have trained in the mountains. Consequently, they are paratroopers who have been sent here to carry out special operations [words indistinct] fill in for the contra forces' the lack of aggressiveness because they are being defeated. That is the goal sought by these operations.

[Reporter] [Words indistinct] the possible delivery of these aircraft in Central America for some years, then the EPS [words indistinct] turn over a similar aircraft to the revolutionary forces in El Salvador. If the aircraft is ever delivered, would you be willing to (?deliver this type of armament)? Second, I would like to know [words indistinct] use the weapon to shoot down the airplanes that bring the contras' supplies?

[Ortega] Well, I previously said... [changes thought] I warned in my previous statements that this type of weapon... [changes thought] hardly any army has this type of weapon and the yankees do not give it even to allied armies because they believe it is very dangerous. Anyway, only armies should be allowed to have this weapon because it is strictly controlled [words indistinct] to control this weapon. At least, that is what we do in our army [as heard] because it is very dangerous. Anyway, I said it would not be possible to exert some kind of control if the mercenaries have the weapon. We have seen how even the Yankees, themselves, do not know what has happened to many [words indistinct] given to the mercenaries, Calero [words indistinct].

Therefore, if hundreds of these weapons are in the hands of the mercenary forces, which are on the verge of a definite defeat, we know... [changes thought] we know these weapons can no longer be controlled by the FDN commanders. [passage indistinct] I do not rule out that the Salvadorans would be interested in getting this type of weapons on the black market [words indistinct] opened by the Yankees. [passage indistinct]. This does not mean the Sandinists will take the arsenal and tell the Salvadoran [words indistinct]. No, we will not do that. [passage indistinct]

[Reporter] [Words indistinct] The Democrats' policy seeks an agreement with the Sandinist government to solve problems and seek peace, not war. My question is this: Is the Sandinist government willing to exert itself to hold a dialogue with the Democrats [words indistinct]?

[Ortega] We have constantly exerted ourselves to hold a serious dialogue with all the [words indistinct] sectors. We are even willing to hold a direct dialogue with the U.S. Government and President Reagan himself. [Words indistinct]

[Reporter] Given that the contras' main support nowdays is the [words indistinct], has the Sandinist government again considered the possibility of getting airplanes to intercept these aircraft [words indistinct] win the war or shorten the outcome of the war? General, I also wanted to ask you: How many contras are currently inside Nicaragua and in what regions [words indistinct]?

[Ortega] [Words indistinct] we have considered the possibility of having our own [words indistinct] airplanes. We do not have them yet but that is another issue. Nicaragua has never given up the right to have its own air force as part of the country's defensive system. However, [words indistinct] costs a lot of money, but we still consider that possibility.

Referring to the number of mercenary forces, I can tell you they are currently engaged in a infiltration, and we believe this will increase in the next few months, to join the forces that they infiltrated in January and February 1987. We think that approximately 60 percent of their forces are making efforts to operate inside the country; the rest are at their bases in Honduras. Others are in certain points -- but these are smaller numbers -- inside Costa Rican territory.

[Reporter] How many?

[Ortega] We are currently making calculations on the war, but our calculations so far indicate that approximately 4,000 mercenaries are in the country. This is an overall figure, and includes Zelaya Norte, Region No 1, Region No 6, Region No 5 [words indistinct] the country. I will answer two more questions and then we will leave, because I have delayed you too long.

[Reporter] Commander, Pentagon sources indicate that Nicaragua has received $300 million in Soviet weapons? What is your comment on this?

[Ortega] What can I say! [laughs] I wish I had... [changes thought] I would not like to have $300 million; I would like to have $1 billion or $2 billion to counter the $15 billion -- or more -- which President Ortega says the United States has invested in the Central American Region to support its interventionist strategy against Nicaragua. In fact, they are mentioning a very small amount when we really have the right to receive not only $300 million, but also an additional $15 billion -- or more -- to defend ourselves against the criminal war of aggression carried out against us. Let us have the last question, please.

[Reporter] You say the main supplies for the counterrevolution are being sent from Ilopango. Where do the Piranha boats come from?

[Ortega] From Honduras. In other words, the Piranha boats are part of an effort... [changes thought] of a mercenary war Navy which they have tried to organize, and which is carrying out its main actions in the Gulf of Fonseca and off the Atlantic coast of Nicaragua. They have also tried to use part of this Navy in the rivers, but their main strength would be in the open sea, logically operating from the Gulf of Fonseca and attacking our commercial ships and certain military targets. Well, then, thank you.

DEFENSE MINISTER CLAIMS CONTRAS DOWN TO 6,000

PA242150 Paris AFP in Spanish 2324 GMT 21 Jul 87

[Text] Havana, 21 Jul (AFP) -- According to Nicaraguan Defense Minister General Humberto Ortega, the EPS "has reduced to some 6,000" the total contra troops that operate militarily in Nicaragua.

The minister appeared optimistic over the progress made by [passage indistinct] "the ever-increasing difficulties the mercenary forces are meeting" and "the general defensive tactic they have shown faced by our Army's thrusts, tactics, and operating initiatives."

Humberto Ortega did, however, admit that "it will take some time to finish them off," in an interview that took place in Managua and published in the first issue of the Cuban Armed Forces newspaper BASTION.

Ortega said the Sandinist government is willing to look for "points that will allow coexistence" with representatives of U.S. President Ronald Reagan, whose policy toward Nicaragua "is failing," he assured.

FURTHER ON RAID, ARRESTS AT DIAZ HERRERA RESIDENCE

FDP Issues Communique

PA271807 Panama City Television Nacional in Spanish 1736 GMT 27 Jul 87

["Communique of the Defense Forces of Panama (FDP) read by Edgardo Lopez Grimaldo, chief of the FDP Information Services; dated Panama City, 27 July -- all times as heard]

[Text] Communique of the FDP General Command:

Following instructions from the Attorney General's Office, at 0700 today, and in the presence of personnel from the Prosecutor's Office, the residence of Roberto Diaz Herrera was raided. Weapons were confiscated and 45 people were arrested.

There was armed resistance at the time the judicial order was presented. That resistance was subdued by institutional forces. No one was killed or wounded during this action, which began at 0710 and ended at 0717.

All those arrested are under the orders of the competent authorities and are in good physical condition.

[Signed] Major Edgardo Lopez G., FDP director of information and public relations.

Panama City, 27 July 1987

Television Details Arrest

PA280042 Panama City Televisora Nacional in Spanish 0000 GMT 28 Jul 87

[Text] National authorities this afternoon reiterated to Televisora Nacional the contents of a communique from the headquarters of the Defense Forces of Panama [FDP] in which it was announced that, pursuant to instructions from the Attorney General's Office, steps were taken at 0700 today, Monday, 27 July, to occupy the residence of Roberto Diaz Herrera, where weapons were seized and a total of 45 people were arrested.

This station had full knowledge of and proof that at the time of the presentation of the judicial order at Diaz Herrera's residence he and his followers reacted by putting up armed resistance but were rapidly subdued by the institutional forces.

It took the forces in the area exactly 17 minutes to carry out the operation to take control of the place but not a single person was killed or wounded by gunshot even though a cache of weapons was seized.

The detainees are at the disposal of the judicial authorities and are expected to render broad testimony in the next few hours. At the Attorney General's Office it was asserted to us that no orders have been issued to arrest Ruben Dario Paredes del Rio, former candidate of Olimpo Saenz's Popular Nationalist Party, or Ricardo Arias Calderon of the Christian Democratic Party, as was persistently rumored this afternoon.

Major Edgardo Lopez Grimaldo, FDP public relations chief, told Televisora Nacional that Diaz is in perfect state of health and added that the other 44 detainees are perfectly well. He insisted that no one is wounded by gunshot. Maj Lopez reiterated that if Diaz Herrera had not refused to comply with the summons from the Attorney General's Office -- which has been waiting for him for weeks to present his evidence -- nothing violent would have occurred this morning. Lopez Grimaldo disclosed that a group of only 40 men carried out the operation at Diaz Herrera's home and noted that two helicopters provided support.

Calderon Confirms Arrest

PA271558 Panama City ACAN in Spanish 1538 GMT 27 Jul 87

[Text] San Jose, 27 Jul (ACAN-EFE) -- Ricardo Arias Calderon, president of the Christian Democratic Party of Panama, reported today by phone that Colonel Roberto Diaz Herrera, retired, has been arrested by the Panamanian Armed Forces.

The opposition leader reported that Diaz Herrera's capture took place after 2 hours of armed attacks against his home.

Beginning at 0430, local time, and until 0630, police helicopters overflew and dropped tear gas on the retired colonel's home, according to Arias Calderon's report, broadcast in San Jose on Radio Costa Rica.

After the air attack, ground forces went into action with machineguns, attacking Diaz Herrera's home. They then arrested him, according to the Christian Democratic leader.

Arias said that other people may have been arrested, but it is impossible to confirm this because they were transported in closed vehicles to an as yet undisclosed location.

Diaz Herrera's home appears to be "vacant and partially destroyed," our source said, announcing that the popular movement against General Manuel Antonio Noriega, chief of the Defense Forces, is becoming stronger.

List of Arrestees

PA280205 Panama City Televisora Nacional in Spanish 0009 GMT 28 Jul 87

[Text] Televisora Nacional will now read a complete list of the persons who were arrested early this morning when Roberto Diaz Herrera's home was raided. Most of them were guards and security people: Jorge Caceres, Pedro Chen, Roberto Ruiz, Edefio Espinosa, Hector Arrocha, Jose Rodriguez, Abdiel Ruiz, Lorenzo Gonzalez, Ricardo Gaitan, Saul Diaz, Gary Perez, Jose Lopez, Rafael Taylor, Leonel Pitti, Eduardo Ruiz, Jorge Olivares, (Jayan Robinson), Herminio Diaz, Efebo Diaz, Jr; Emilio Carreiro, Pedro Moreno, Eduardo Phillips, Franklin Nunez, Gladys de Cerezo, Raquel Stanziola, Clara de Diaz, Eyra Reyes, (Solache Robinson), Dilsa Centella, Marcela Gonzalez, Leonarda Castro, Norma Nunez Montoto [well-known Panamanian journalist], Dalys Vargas, Leysa Ruiz, Rita de Ruiz, (Soroel Diaz), Gregorio Escobar, Gabriel Pinzon, Javier Bagazo, Gilberto Moreno, Pierre Robinson, (Martin Edil), Gilberto Trujillo, (Richardo Acedo), and (Eugenio Facelli Ruiz Diaz).

Habeas Corpus Writs Filed

PA280158 Panama City ACAN in Spanish 0028 GMT 28 Jul 87

[Excerpts] Panama City, 27 Jul (ACAN-EFE) -- A group of lawyers has filed writs of "habeas corpus" with the Supreme Court for 45 people arrested this morning during the military attack on the home of [retired] Colonel Roberto Diaz Herrera.

The lawyers, coordinated by the colonel's defense attorney, Alvin Weeden, this afternoon presented the writs and hope the court will issue a favorable ruling Tuesday morning. [passage omitted]

Sources at the District Attorney's office reported this afternoon that 49-year-old Diaz Herrera, cousin of general Omar Torrijos, has not been taken to testify before District Attorney Carlos Villalaz as yet.

An Army [as received] lieutenant who identified himself as Castillo told ACAN-EFE that the rumors that the colonel, who was retired against his will 2 months ago, had gone to testify are false.

According to the law, the court has 24 hours to issue a ruling regarding the writs of "habeas corpus." [passage omitted]

Delvalle Denies 6 Deaths

PA280143 Panama City ACAN in Spanish 2343 GMT 27 Jul 87

[Text] Panama City, 27 Jul (ACAN-EFE) -- Archbishop Marcos McGrath reported that today at midday President Eric Arturo Delvalle told him that no one was killed during the military assault on the house of Colonel Roberto Diaz Herrera.

McGrath told ACAN-EFE that Delvalle reported to him that there was no one killed in the military operation this morning, carried out by an elite company trained by Israeli instructors and called "UESAT" (Special Antiterror Unit).

Many rumors say six people were killed during the military operation. However, in a communique issued this afternoon, the Army said there were no dead or injured in the assault, despite the fact that Diaz Herrera's bodyguards resisted.

The Army said that together with Col Diaz Herrera, who up to 1 June was the second man in the military echelon, 44 people were arrested, although their names have not been released.

In the list of detainees there are names of the retired colonel, among them his brother Notary Public Efebo Diaz, as well as journalist Norma Nunez Montoto, bodyguards, sympathizers, and domestic help.

McGrath, who this morning was denied access to the assault area, reported having seen one person injured who was taken away in a red car.

The prelate said the operation to arrest Diaz Herrera could have perfectly well taken over a village with hundreds of inhabitants.

The archbishop said the arrests are illegal, except for the arrest of Diaz Herrera. In the beginning of July, Diaz Herrera was ordered to appear before the Attorney General to detail his accusations against the head of the Army, General Manuel Antonio Noriega.

When asked about the country's present crisis, the archbishop said "I am very sad for what awaits Panama."

'Neighbors' Claim 3 Killed

PA280414 Bogota Inravision Television Cadena 1 in Spanish 0300 GMT 28 Jul 87

[Monitored in progress]

[Excerpt] [Passage omitted] At the moment of his [Colonel Roberto Diaz Herrera, retired, former Panamanian Defense Forces chief of staff] capture, he was accompanied by 44 men who responded to the attack of tear gas and gunfire that the military men carried out from the helicopters. In an official communique, it was confirmed that there were no deaths. However, neighbors said that at least three of Diaz' bodyguards had been killed. The whereabouts of the officer [Diaz Herrera] are now known.

Meanwhile, the national strike was 70 percent successful amid a climate of uncertainty. Three newspapers were shut down and radio stations were not allowed to broadcast news of today's events.

Diaz Reportedly on Island

PA280254 Paris AFP in Spanish 0134 GMT 28 Jul 87

[Excerpts] Panama City, 27 Jul (AFP) -- Some 5,000 vehicles went through 25 km of the Panamanian capital this Monday in a move of support of the government of President Eric Delvalle and General Manuel Antonio Noriega.

The motorcade which took place without violent incidents, sought to counter the offensive launched in the past weeks by the National Civilianization Crusade in opposition to the government, which demanded the ouster of Gen Noriega of the Panama Defense Forces [FDP] and the democratization of the country. [passage omitted]

For its part, the Panamanian opposition stayed home today, heeding a call by its leaders to devote themselves to reflect on the political situation that the country has been living in for 52 days, when former FDP Chief of Staff Roberto Diaz accused Noriega of corruption, electoral fraud, and assassinations.

The antigovernment protest movement will continue on Tuesday, although without public demonstrations such as those characterized over the past weeks by motorcades along the avenues of this capital.

In its activities, the Crusade no longer has the important support of the opposition newspapers EL SIGLO, EXTRA, and LA PRENSA, which were intervened this morning by order of Panama [Province -- FBIS] Governor Alberto Velasquez, who alleged that the three papers published "reports that incited the disruption of public order."

Meanwhile, reliable sources told AFP that Colonel Diaz Herrera, who was arrested this morning, was taken to Contadora Island in the Panamanian Pacific. [passage omitted]

The sources told AFP that possibly in the coming hours District Attorney Carlos Villalaz will go to Contadora to take Diaz' testimony and ask him for the evidence he claims to have against Noriega.

Panamanian Archbishop Msgr Marcos McGrath declared that he was not allowed to mediate when Diaz Herrera was arrested, and he demanded that the possibilities of obtaining asylum or exile for the former military officer be considered.

Also, he urged that he be given the possibility of defending himself and noted that the Panamanian Catholic Church will fight for that right set forth in the political constitution.

GOVERNMENT OFFICIAL DENIES NEWSPAPER CLOSURES

PA271921 Panama City ACAN in Spanish 1808 GMT 27 Jul 87

[Text] Panama City, 27 Jul (ACAN-EFE) -- Official sources said the Panamanian authorities did not close the opposition newspapers; they prevented the circulation of today's editions because they called for "disorder and disobedience."

Alejandro Moncada, advisor to the Government and Justice Minister, told ACAN-EFE, that LA PRENSA, EL SIGLO, and EXTRA, all opposition newspapers, have not been closed down; they were just not allowed to circulate their material today.

Moncada added that the order issued by the government is valid only for today, but should opposition newspapers continued "urging citizens to carry out disturbances," that order could be extended.

Newspaper employees said they were expelled from their workplaces late Sunday, and have not been allowed to return.

ACAN-EFE confirmed that the police have surrounded the three newspapers, building. There does not appear to be any activity in the buildings.

The front pages of the opposition newspapers were taken primarily up by news on an extendable 48-hour general strike called by the opposition's Civilianization Crusade, which began today.

The crusade, which is comprised of a hundred civic, professional, and political organizations, is demanding through peaceful protests and pressure the investigation of charges leveled against the Defense Forces and its commander, General Manuel Antonio Noriega.

DELVALLE, CHIARI DE LEON ENFORCE MEDIA RESTRICTION

PA271907 Panama City Circuito RPC Television in Spanish 1730 GMT 27 Jul 87

[Text] We inform our viewers that as of today, our newscasts will be regulated by Decree 61 of 24 July 1987, whereby Decree 155 of 28 May 1962, which regulates radio broadcasting and television in Panama, is extended to include a clause that states: [Radio and television frequencies may be canceled] when there is an exhortation to alter public order or to perpetrate crimes, or a refusal to fulfill the Constitution or the laws of the Republic and the duties it imposes, and the Constitution [as heard] through violent means of the state branches [as heard], and the disobedience of laws and authorities. The decree is signed by President Eric Arturo Delvalle and Government Minister Rodolfo Chiari De Leon.

Article 40 of Decree 155 of 28 May 1962, establishes the reasons whereby the national government can declare the cancelation of radio and television frequencies in the country, as needed.

Colombian Station Comments

PA280103 Bogota Emisoras Caracol Network in Spanish 2325 GMT 27 Jul 87

[Telephone report by "Ariel," live or recorded -- monitored in progress]

[Excerpts] [Ariel] [passage omitted] The situation, I repeat, is serious. There is much expectation. The Panamanians walk with uncertainty, not knowing where they are headed, or where this situation, which has been going on more than 45 days will lead. The government has been unable to find an immediate solution to this situation.

We repeat, Colonel Roberto Diaz Herrera was arrested this morning by the Panamanian military who fired many shots inside his house. Finally the military reported that Col Roberto Diaz Herrera is in good health. The communique says he was arrested following orders from the District Attorney, and according to the Defense Forces, he is being held in the Modelo Prison and is in good health. These reports have not been confirmed up to this moment by the national press.

Some of the media have practically been threatened that they will be closed down and their frequency allocation canceled if these stations start reporting again as they have been doing during these last 45 days. Therefore, the situation is tense. We hope that the situation changes a lot by tomorrow.

[Announcer] Ariel, the things you have said in your report from Panama for CARACOL, can you say them in Panama for stations there, or not? Are you free to report?

[Ariel] No, No, not for Panama. I cannot report anything here in Panama.

[Announcer] What can you say in Panama?

[Ariel] Those things that do not go against the regime.

[Announcer] What do you risk by saying the truth?

[Ariel] Many things can happen. Number one is that one may be arrested, or attacked in one of many ways if one lets the information get through. The information must pass through a filter and must be underwritten by the government, in this case by the Government and Justice Ministry. Today a communique was issued that specified that all information must first receive approval from the Government and Justice Ministry.

[Announcer] In other words, Ariel, all information that is broadcast must be first censored?

[Ariel] Yes, censored beforehand, but not by a government censor, but by self-censorship.

[Announcer] What do you risk by violating it?

[Ariel] Some media have already been told they will be closed down if the national government feels the reports being broadcast call for revolt and are attacking the national government.

[Announcer] I will not ask you more as some of our Caracol frequencies can be heard in Panama, and I do not want you to get into trouble. Thank very much and lots of luck. [passage omitted]

BOGOTA INTERVIEWS OPPOSITION'S CALDERON ON CRISIS

PA280503 Bogota Emisoras Caracol Network in Spanish 0421 GMT 28 Jul 87

[Text] [Words indistinct] newsmen found Dr Ricardo Arias Calderon in his home between 0600 to 0900. The former congressman and opposition leaderis fightin;g against the government, but particularly against General Manuel Antonio Noriega and is asking for Noriega's resignation or dismissal. Arias Calderon is one of the organizers of the protest action that will last 48 hours. This is what he said about the very serious incidents that took place today in Panama:

[Begin recording] [Arias Calderon] The most noteworthy incident this morning was the atempt by the Defense Forces to outst and arrest Colonel Diaz Herrera, the former deputy chief of the Defense Forces, who has been raising very serious charges against General Noriega. Helicopters dropped teargas grenades into his home early this morning, there was machine gun fire near his home. However, up to the latest moment, I heard he has not been ousted from his home. In addition, the three main independent newspapers of the country and one of the radio stations that maintained an independent stand have been closed. All of this has produced a commotion early today. Everything seems to indicate this morning that the strike is going to be very important.

The main professional and business organizations of the country are supporting the strike. The workers have exerted pressure on some enterprises that wanted to remain open, to the point the enterprises have closed.

I can specifically mention that the educational system is closed, all public and private medical services are closed, except for the emergency wards; the main supermarket chains of the country have closed, the chamber of construction that includes all construction firms of the country has closed. In general, the Panamanian economic activity is at a standstill. Over 60 banks have closed as a result of the decision of their workers.

[Reporter] When we ask Panamanians about the future of the country and about Gen Noriega the answer is: It does not look like Noriega will fall quickly for two reasons. First, he has the total support of the security [as heard] forces, which are the only military body of Panama; second, there is no replacement. What do you think?

[Arias Calderon] I believe that more important than those two reasons is the fact that we are facing a military commander who has been flatly rejected by the entire population. Panama [words indistinct] and, worse yet, there is no possibility of putting a limit to the profound financial and economic crisis we are enduring unless Gen Noriega leaves his post. It is a fact that he maintains control of the Defense Forces, but there are already signs of strong internal tension [in the Defense Forces].

The statements that have been made by Diaz Herrera, formerly second in command, and the statements made recently by General Paredes -- Noriega's predecessor -- against Noriega, indicate there is strong tension within the military.

On the other hand, the alleged lack of a replacement is a completely empty argument. All military organizations have officers who have rank and seniority and who are waiting for their superious to retire so they may occupy their post.

I believe we are heading to an increasingly deep crisis and the only solution is the separation of Gen Noriega from his post. [passage indistinct] Approximately 10 days or 2 weeks ago, an international [news] service that circulates much among bankers estimated that Panama has lost approximately $2.2 billion in foreign and domestic deposits. This information was provided 10 or 14 days ago. I estimate that by now, the loss is twice that. This would mean that the Panamanian banking system has lost between 10 and 15 percent of the total deposits. [end recording]

NO ACTIONS TAKEN AGAINST PAREDES, ARIAS CALDERON

PA271826 Panama City Televisora Nacional in Spanish 1738 GMT 27 Jul 87

[Text] Televisora Nacional has confirmed from a reliable official source that it is absolutely false that an arrest warrant has been issued against General Ruben Dario Paredes, retired, who could be reached easily at his home today. It is also false that Ricardo Arias Calderon, president of the Panamanian Christian Democratic Party, has been summoned by the authorities.

Televisora Nacional confirmed at the Attorney General's Office that there have been no arrests or operations other than the actions carried out at Roberto Melanio Diaz Herrera's residence.

GENERAL STRIKE 'PARALYZES' PANAMA CITY 27-28 JULY

PA271720 Paris AFP in Spanish 1653 GMT 27 Jul 87

[Excerpt] Panama, 27 Jul (AFP) -- This morning Panama's capital city was paralyzed and its streets 70 percent empty as a result of the general strike called by the opposition, which is demanding the dismissal of General Manuel Antonio Noriega, chief of the Defense Forces.

The quiet tension that dominated Panama City on Monday morning was heightened by the absence of the three opposition newspapers, LA PRENSA, EL SIGLO, and EXTRA, which were broken into and closed last night by government troops.

Upon justifying the measure, Eric Delvalle's government accused these newspapers of "inciting to disrupt public order."

Although at midmorning the commercial banks were open, operations were sparse due to the reduced staffing and especially due to the absence of customers.

Traffic has also been drastically reduced, while bus transportation declined by 50 percent, causing long lines of commuters at bus stations.

Although there are no reports regarding the strike in the interior, opposition leaders asserted this morning that the strike in the interior "had also yielded the expected results." [passage omitted]

Crusade Terms Strike 'Success'

PA271955 Panama City ACAN in Spanish 1905 GMT 27 Jul 87

[Text] Panama City, 27 Jul (ACAN-EFE) -- Spokesmen for the Chamber of Commerce and the Association of Panamanian Industrialists have said that the general strike, which began today in Panama to force the dismissal of Army Chief [title as received] General Manuel Antonio Noriega, is "a success."

The Panamanian capital has looked practically deserted since Sunday, because the stoppage has been embraced by dozens of business, professional, civic, social, political and workers associations, and independent workers.

According to [National Civilianization] Crusade estimates, the 2-day strike, which could be extended could affect 80 percent of the country's commerical and industrial activity.

Few pedestrians are moving about the capital and only a few vehicles are circulating on streets and avenues since the strike called by the Civilianization Crusade started.

The crusade, comprising more than 100 professional, civic, and business associations and guilds, is demanding the removal of Gen Noriega and all those involved in charges leveled since early June by Retired Colonel Roberto Diaz Herrera.

According to ACAN-EFE estimates, 100 percent of the large stores in the downtown area are closed and 90 percent of gas stations are supporting the stoppage. However, a high percentage of restaurants and small businesses opened today.

Reports from the National Banking Association indicate that all banks are open, but according to reports obtained by ACAN-EFE, only managers and executives of financial institutions are present.

Although banks have opened, employees did not show up for work. The customers, although very few, have not been served. The same situation prevails in state and private primary and secondary schools, which closed down today by order of the Education Ministry.

In view of "threats" against people who fail to abide by the stoppage called by the Civilianization Crusade, the government decided to "indefinitely" extend midyear school vacations. Schools here had been scheduled to resume classes today.

The Chamber of Commerce, Industries, and Agriculture told ACAN-EFE that the strike "is a success" in the capital; in the Atlantic province of Colon; in David, the country's third most important city and an agro-industrial center in western Panama, as well as in the city of Chitre, another center of agro-industrial development.

Major industries, including breweries, Coca-Cola of Panama, textiles, cooking oil, and tinplate factories, supermarkets (almost all of them), coffee shops, and other businesses today closed down despite a government warning last week that if they failed to open they would be subject to pertinent legal sanctions.

Meanwhile, the opposition dailies LA PRENSA, EL SIGLO, and EXTRA were temporarily closed down today by the Defense Forces, under instructions from the Panama Province Governor's Office. According to the Army, the opposition newspapers were closed because today's editions were inciting "disorder and disobedience."

Politically-independent Radio Exitosa was left without electrical power this morning and "taken off the air," Christian Democratic Party President Ricardo Arias Calderon said in remarks to a Costa Rican radio station.

Arias Calderon said the situation prevailing in Panama at this time is of "a radical state of censorship over all media," without any legal basis.

The Ministry of Government and Justice, meanwhile, today warned the owners of the various television stations that "the frequency allocations of radio and television stations which the executive branch considers to be inciting to violence or to disobedience of the law could be rescinded."

The Christian Democratic leader said, based on the initial reports on the strike, that the situation shows "a increasingly more acute decomposition of the regime and the massive rejection by the population against General Noriega and the military regime he heads."

MINISTERS, PARTY LEADERS PARTICIPATE IN MOTORCADE

PA280129 Panama City ACAN in Spanish 2248 GMT 27 Jul 87

[Text] Panama City, 27 Jul (ACAN-EFE) -- State ministers, progovernment legislators, security agents, public workers, and supporters today participated in a massive motorcade in support of the government and General Manual Antonio Noriega.

The motorcade headed by traffic policemen and called by the parties demonstrations decreed by the Presidency last 7 July.

The official radio station "Radio Nacional" [Panama City Domestic Service], which broadcast directly from a vehicle in the motorcade reported that some 5,000 vehicles were participating in the motorcade, but ACAN-EFE counted approximately 1200 vehicles.

Furthermore, the participation of many supporters and government officials, including Foreign Minister Jorge Abadia, deputy ministers, and many state security agents, was noticed.

Others who also participated were Romulo Escobar Bethancourt, president of the progovernment Democratic Revolutionary Party, Luis Gaspar Suarez, leader of the officialist Panamenist Party, and Ramon Sieiro, secretary general of the Labor Party.

The participation in the motorcade of many vehicles without license plates was noticed, as well as that of public employees, who told ACAN-EFE that they were "forced" to wave from the sidewalks to the vehicles as they passed along the principal avenues of the capital.

This motorcade coincided with the general strike called by the opposition to demand the ouster of the commander in chief of the Army [as received], Gen Noriega, which virtually paralyzed the business and industrial activities in this country.

'Preview' of 31 July

PA280156 Panama City Televisora Nacional in Spanish 0010 GMT 28 Jul 87

[Report by Hector Donadio]

[Text] The Democratic Revolutionary Party, PRD, today led a large and impressive motorcade -- with the support of the parties belonging to the National Democratic Unity, UNADE -- that toured the main Panama City streets to voice their wholehearted support to President Eric Arturo Delvalle and General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces.

Enthusiastic citizens standing on sidewalks and balconies waved Panamanian national flags as well as UNADE parties' flags and greeted hundred of vehicles. The motorcade toured Panama City in a cohesive and solid manner. At times, the cars used all four lanes of the streets.

The motorcade was interrupted many times by the many people who spontaneously jumped to the streets to joyously greet the persons riding in the vehicles. The drivers honked their horns while the fellow riders waved Panamanian flags, as well as flags of the PRD, PALA [Labor Party], the Authentic Panamenist Party, the Republican Party, and posters. Hundreds of vehicles toured Martyrs Avenue, National Avenue, Via Bolivar, Via Espana, 50th Street, Via Porras, Balboa Avenue, Central Avenue, and the San Miguelito District.

The organizers of the motorcade said this is a show of force by the Panamanian people, adding that today's motorcade is only a preview of what will happen next Friday [31 July, anniversary of the death of General Omar Torrijos]. Fiftieth Street was covered by our three-color national flag, the flag of all Panamanians. At one time, the end of the motorcade was on 50th Street near the Civil Registrar's Office while the head of the motorcade was at the Cosita Buena dance hall in Pueblo Nuevo corregimiento.

Slogans such as: Not one step backward; No to sedition; No to the seditious Escalation; Panama first, and No to intervention were heard as the motorcade moved along. Foreign newsmen from international news agencies, television networks, and newspapers who are currently in our country estimated that there were approximately 8,000 vehicles in the motorcade organized in less than 24 hours.

CRITICA 'BLAMES' U.S. DIPLOMAT FOR UNREST

PA271620 Panama City CRITICA in Spanish 27 Jul 87 p 1

[Text] Once again, John Maisto, second in command at the U.S. Embassy in Panama, has been openly and shamelessly getting involved in the country's political affairs.

Last week, on Monday to be more exact, Maisto -- a recognized enemy of the Panamanian people -- while attending a reception on the Japanese ship Katori, met in a conspiratorial manner with members of the Christian Democratic Party. At that time he made strong and rude remarks against President Eric Arturo Delvalle.

Maisto is an adviser to Chamber of Commerce President Aurelio Barrio and he is the ill-fated person who is trying to apply the "Philippine plan" in our country.

CRITICA directly blames John Maisto for any act of violence that may take place in our country because he has masterminded the destabilization of our government. We will inform the Panamanian people of his residential address very soon.

We also want to warn the authorities that we will no longer accept coercive actions to prevent our publication of this gringo's conspiratorial activities.

ALFONSIN REFUTES OPPONENTS OF ECONOMIC PLAN

PY272153 Buenos Aires Domestic Service in Spanish 1718 GMT 27 Jul 87

[Speech by President Raul Alfonsin upon inaugurating a housing development in Godoy Cruz Department, Mendoza Province -- live]

[Excerpt] [Passage omitted] The support of the Argentine people is truly important. These socioeconomic programs can be carried out because it is the people who have set the path; it is the people who want it this way. This is the wish of all Argentines, no matter what their political inclination. They want to live in democracy, in freedom, and achieve development based on effort, ethics, and solidarity, so ultimately we can put Argentina in its proper place among the great nations of the world.

We are not the only ones experiencing this situation. Argentina is a privileged country among Latin American nations. Other Latin American nations that have restored their democracies are making great efforts so their socioeconomic problems do not plunge them into desperate situations. We can also see that the situation of democracy in each of our Latin American sister-nations is becoming more and more critical, day by day. This is why, in keeping with the people's desire, the Argentine president has discussed these problems at international forums, with the intention of resolving those problems that affect not only Argentina but all Latin American countries. This is why all of us are striving to achieve Latin American integration, because this is tantamount to striving for peace, which is tantamount to seeking a different path to achieve our freedom. This means we have to trade more among ourselves, buy from neighboring countries those products we now import from other regions of the world, implement large-scale production to let our countries trade products to establish a common market and thus strengthen the chances of achieving the development of the impoverished Latin American continent. This is why, in keeping with the will of the Argentine people, we have implemented a long-term economic plan to improve our economy. We have acted against what was popularly known as the financial fatherland [referring to the economic policy implemented by Economy Minister Martinez de Hoz during the dictatorship].

I am saddened, and I think everyone else should be, by the fact that instead of being shaken by government-implemented measures, money exchange houses or institutions that are not meeting their tax obligations charge that the government is acting within IMF guidelines. [applause] I thought the IMF was the enemy of production and favored economic speculation. Where do people get the idea that we are seeking to improve the financial system based on IMF guidelines?

Have we not complained about the Argentine tax system? Have we not sought different solutions to overcome the tremendous crisis we are experiencing? Have we not sought to end the deficit, which we know undermines production because ultimately it is responsible for increasing interest rates? When we raise taxes, when we establish an income tax -- which means that some company will have to pay taxes on its income -- how can some people say the government is acting in keeping with the IMF's will and not the will of the Argentine people? [applause]

The Argentine tax system is bankrupt. Out of the 500 most important companies in the country, only 40 pay income tax. The others are not evading taxes, they are simply doing what the system has authorized them to do through fiscal credits that in one way or another help them balance previous deficits. In Argentina, taxes on cigarette sales yield more funds than income and property taxes put together. The difference is not small: Cigarette sales yield 25 percent more than income and property taxes. How then can we not implement new measures? We are not doing this to persecute anyone. We are doing it for the sake of solidarity, because since the government has made itself responsible for the entire debt of the private sector, we believe those who have more should help pay, and cooperate in helping pay the government deficit. [applause]

Haven't we all agreed on the need to achieve an efficient government? Haven't we all complained about poor railroad transportation? Since when is the government that issues measures to improve this situation acting within IMF guidelines? What kind of game are we playing? Those who say this are insulting themselves, even if they are opponents of the government. We are not concerned about people being against the government. We are concerned about people trying to mislead the Argentine people, like when the government established measures to resolve problems and was charged with not acting in line with the people's will, but in keeping with the demands of an organization that has nothing to do with what we are doing or with what we want. [applause]

Yes, indeed, we are confronting a truly difficult situation from all points of view. We have to lower interest rates and decrease the government deficit. The public deficit is taking up a tremendous percentage of the GDP. We have been able to lower the public deficit a lot, but we cannot do it abruptly. [passage omitted]

FOREIGN MINISTRY OFFICIAL HOLDS TALKS IN MOSCOW

PY162104 Madrid EFE in Spanish 1440 GMT 17 Jul 87

[Text] Moscow, 14 Jul (EFE) -- Jorge Sabato, Foreign Ministry secretary for international relations, today met in Moscow with Yuliy Vorontsov, Soviet first deputy minister of foreign affairs, to discuss bilateral relations. Although both countries have maintained absolute secrecy on the topics they have discussed, it has been learned that Mikhail Gorbachev's possible official visit to Buenos Aires was one of the subjects.

Gorbachev is initially scheduled to visit several Latin American countries this year, although these visits will depend on a possible summit meeting with U.S. President Ronald Reagan. They also discussed subjects such as regional and international problems, security and disarmament, and the agenda of the 42d session of the UN General Assembly. Sabato today also talked with Soviet Foreign Trade Ministry officials to verify the mutual fulfillment of the economic agreements.

LABOR MINISTRY OFFICIAL ON LABOR ISSUES

PY242111 Buenos Aires Domestic Service in Spanish 1600 GMT 24 Jul 87

[Excerpts] The major morning dailies gave prominent coverage to labor issues this morning just as they did yesterday. The joint wage bargaining commission, which includes the government, labor, and management, will begin meeting in August.

The Labor Ministry and the CGT [General Confederation of Workers] have agreed on a salary readjustment to counteract inflation. There are still some reactions to comments yesterday by Labor Minister Alderete, who objected to remarks by President Alfonsin regarding the CGT position on the new economic measures announced on 20 July. Therefore, we have important issues to discuss with (Belford Gimenez), chief adviser of the Labor Ministry.

[Announcer] Can you hear me? Good afternoon, Gimenez.

[Gimenez] Good afternoon, how are you?

[Announcer] Fine. I want to know if this so-called disagreement between President Alfonsin and the CGT has been overcome.

[Gimenez] I believe the important thing is what the country wants. The country really wants to know how we are going to face the current situation; this is what the Argentine people want to know. The reaction of Labor Minister Alderete to President Alfonsin's remarks was surprising, but I believe this was clarified during the discussions yesterday. The president also showed interest in the problems being handled by the Labor Ministry. In the face of this situation the president explained that like any human being, he can get angry. I believe because of his position, a president must be careful, but any human being can become angry. I believe there are reasons for anyone to become angry. We sometimes say things [words indistinct] (?leak) to the press. Well, it was the president [passage indistinct]. Let me say again that what the Argentine people should really know is what the important issues are, and how to overcome this economic crisis. What really happened was that meetings were held yesterday and during the last few days. The executive branch, the president and Economy Ministry officials held meetings all day and last night. The results are obvious. This shows that beyond the events that made news yesterday, the news today is that the Labor Ministry was able to pave the way for solutions. This is what the labor movement always wanted, the idea of dialogue with the Labor Ministry, of participating in the Cabinet and in the national government. I believe this is what is important in the current situation. [passage omitted]

[Announcer] You have been very explicit but I have an obvious question. Now that an agreement is at hand, is the possibility of Alderete's resignation being discarded or denied?

[Gimenez] Of course, Alderete is working like he always has. Alderete once said if he resigns, we will all resign, but this would be a decision of the labor movement because we came here to do a job. If our efforts benefit others, fine. Alderete is not going to resign. That possibility was never considered. We are here to make an effort and the sound decisions made in the last few days are the result of that effort [words indistinct] to find solutions. The important thing is to get results. The country must realize that the solutions of the labor movement are bringing peace and tranquillity [words indistinct]. This imparts enthusiasm and the desire to continue believing in the country. We also hope the businessmen will give their share during the meetings of the joint wage bargaining commission within the framework of the responsibility we all have to do away with the bad habit of forcing salary increases through decrees instead of bargaining, which is the path [words indistinct]. We are going to prove once again the ability of the union leaders during the talks of the wage bargaining commission.

[Announcer] Thank you very much.

GOVERNMENT DECLARES OIL CENTERS 'MILITARY ZONES'

PY271348 La Paz La Red Panamericana in Spanish 1130 GMT 27 Jul 87

[Text] In accordance with the Constitution, the fundamental mission of the Armed Forces is to preserve national independence and the security and stability of the Republic. This is in accordance with Article 208 of the Constitution, which also adds that it is the duty of the Armed Forces to ensure the implementation of the Constitution, to guarantee the stability of the legally elected government, and to cooperate in the overall development of the country.

On the basis of these regulations that rule the country's daily activities, the executive branch has declared all property belonging to the Bolivian Government Oil Deposits [YPFB] and to contractor enterprises that distribute hydrocarbons throughout the country as military zones. This was done to prevent the foreseen consequences of the Bolivian oil workers strike.

The Armed Forces are based on discipline; therefore they immediately obeyed the captain general and president of the Republic and occupied all service stations, production plants, and hydrocarbon outlets in the entire country.

Acting differently than the UDP [Democratic and Popular Unity], the MNR [National Revolutionary Movement] has taken drastic action and is demonstrating its force in the face of this conflict. The conflict originated in salary and institutional demands that are difficult to meet due to the illiquidity of the enterprise. The illiquidity has been caused by Argentina failing to pay for gas it purchased.

The Armed Forces' intervention ordered by the government has irritated the oil workers, whose leaders were detained in the last few hours. Their detention is creating an intense atmosphere in that sector that is having repercussions throughout the country.

Decree 20,677, which orders the declaration of military zones, also establishes that YPFB workers are now under military jurisdiction. This has caused the COB [Bolivian Labor Confederation] and the oil workers unions to categorically deplore the situation, because our workers who do not go to work or protest the measurse are liable to be punished under the law that rules the Armed Forces.

It is true the government has the right to apply laws in order to run the country, and it is acting in accordance with the Constitution. However, it is difficult to accept the severity of the punishment that can now be meted out to the YPFB workers, who are not members of the Armed Forces, and yet are now under their jurisdiction.

On 24 July, all efforts to seek a solution and avoid an oil workers strike were exhaused. It is a pity that no agreement was reached during the meeting that was held at Government House between the chief of state and the leaders of the oil workers. However it would be worthwhile to insist on dialogue, because the declaring of military zones can lead to major confrontations, which will only have negative results for democracy and the country.

From Panamericana, we urge the workers to sit down and think about the country's current situation and ease up their demands. At the same time we ask the government to do the same thing. We ask it to revise its radical measures, release the people that have been detained, and return to the dialogue. An easier and more democratic solution could be found, one that will benefit the country. Don't you think so?

Decree on Oil Intervention

PY271558 La Paz La Red Panamericana in Spanish 1130 GMT 27 Jul 87

[Excerpts] Yesterday, the government called for the military intervention at all YPFB facilities. The government released Decree 21667 at Government Palace in view of the general and indefinite strike announced by the Bolivian oil workers. The decree, which was released at about 1100 yesterday, reads as follows:

Article 1. All YPFB facilities, as well as those of YPFB private contractors, producers and distributors are declared military zones, in accordance with Article 208 of the Constitution, and Article 16, 17, 18 and 19 of the Armed Forces Organization Law.

Article 2. The military jurisdiction will cover refineries, gas processing plants, exploration and exploitation facilities, wells, compresser stations, and gas pipelines. Pumping stations and oil pipelines, district superintendencies, distribution plants, liquified gas bottling plants, maintenance workshops, transportation sectors, and administrative offices belonging to YPFB are also under military control.

Article 3. The areas under military intervention will be placed under the national security law in an effort to protect the YPFB and contractors' installations and to ensure production, distribution and sale of hydrocarbons. In this way, the activities of the industrial, transportation, and auxiliary sectors that depend on the YPFB will not be impaired.

Article 4. All YPFB and contractor employees are under military jurisdiction and can, therefore, carry out their activities normally. Failure to obey instructions will be punishable by military courts.

After releasing Decree 21667, the government ordered members of the Bolivian Army, Navy, Air Force, and Police to occupy all YPFB facilities. According to the government, if the oil workers' strike succeeded in paralyzing the YPFB, the current MIR democratic government could have been destabilized.

Here are Information Minister German Antelo's comments:

[Begin recording] This strike not only affects one sector, it affects the entire nation. The oil sector is not just another sector, it is not just a simple factory or a typical industry. This sector is vital not only for the stability [words indistinct] but also for any hope of reactivating the country's economy. [passage omitted]

Therefore, we believe the paralyzation of the oil sector might sink the country into another crisis, and destroy all the progress achieved and any hope of reactivating our economy. That is why we insist President Paz be very clear in his negotiations with the union leaders, emphasizing that the government cannot meet the workers salary demands, especially now that Argentina has failed to pay for the purchase of our gas. We cannot meet the salary demands, or allow the sector to be paralyzed. Therefore, we call on you not to stage this strike, because the government cannot allow it. Apparently those responsible for staging this strike did not take President Paz' words on military intervention seriously. [end recording]

Minister Antelo concluded by saying that the government will not adopt drastic measures not only regarding the oil workers' strike but regarding any sector that may attempt to disobey the MNR government or hinder the reactivation process being experienced in the country.

[Begin recording] The government did not whimsically refuse to meet the workers' demands. The economic situation does not allow the government to deviate from its salary policy before December. [passage omitted] The government does not have the funds to meet these demands. Therefore, it will have to be drastic with any sector that attempts to again plunge the country into hyperinflation. This measure was not adopted in the interest of the government, but in the interest of the nation. [end recording]

Marco Antonio Morales, secretary of the Conflict Negotiations Office of the La Paz Oil Workers' Union and head of the Strike Committee, granted Panamericana a secret interview on events that occurred yesterday. He said that leaders Martino Ayllon, Victor de la Barra, Nilo Linares, and Carlos Molina of the La Paz union have been arrested. According to Morales, Noelso Lis, executive secretary of the National Oilworkers' Federation, and Raul Cabrera, secretary general, have also been arrested.

[Begin Morales recording] We make these charges because the homes of these leaders were raided by members of the Interior Ministry, who forcibly entered the homes. It is evident [words indistinct] that we have always tried dialogue with the government and to avoid all measures of force. At present however, we [words indistinct] aware of all the difficulties the workers are experiencing and they decided to stage this strike, disregarding the instructions of the union. [end recording]

Referring to the general indefinite strike, the union leader said it will start at 0000 today, no matter what.

[Begin recording] As I said before, all workers are aware of all possible repercussions of this movement, and I believe we will succeed in reaching a favorable solution that meets the needs of the YPFB, the workers, and the country. [end recording]

COB Leader Supports Strike

PY271518 La Paz Red Panamericana in Spanish 1130 GMT 27 Jul 87

[Text] The Bolivian Labor Confederation [COB] rejects the measures the government implemented yesterday morning.

In a document signed by its top leaders, the COB fully supports the oil workers struggle to obtain a salary increase and their desire to get Bolivian Government Oil Deposits [YPFB] on its feet again. The COB also repudiates the government's repression and the detention of several oil workers leaders. This detention violates the most fundamental rights of union leaders.

The COB's communique expresses its concern over the use of the Armed Forces as instruments for repression. In addition to supporting the oil workers strike, the COB states that if necessary, it will take over the leadership of the strike.

Finally, the COB reiterates its call for the emergency meeting that will take place today at 1500. The oil workers strike, the urban and rural teachers conflict, and the problem of social security and housing councils will be debated.

COB leader Alberto Soto told Panamericana that the struggle of the oil workers is the struggle of all Bolivians against the government's economic policy, which is being implemented by force. Referring to the COB's support for the oil workers, Soto stated:

[Begin recording] Of course the oil workers have used all legal means to hold a dialogue with the government. This is why all the country's sectors are aware the oil workers struggle is just. This is why the COB fully supports the oil workers in their demand for a salary that will allow them to survive; their position is just. The COB repudiates the repression that has been unleashed and which has resulted in the arrest of several of the oil workers leaders, thus violating union rights and the fundamental rights of man. The COB reiterates its call for the emergency meeting of all executive and general secretaries of all organizations to be held at 1500 on 27 July at COB headquarters to evaluate the oil workers conflict, the problems of the teachers, and social security matters. [end recording]

On its part, the La Paz Oil Workers Union has indicated that recent government measures notwithstanding, it is going to maintain the general and indefinite strike. It also severely censures the occupation of oil installations throughout the country and demands the immediate release of the detained union leaders.

In a communique given to Panamericana, La Paz oil workers said their problems are the survival of the enterprise and the finance law. YPFB interests are seriously affected by Decrees 21,060 and 21,660. They said the finance law seriously affects social security and the housing councils, institutions that by nature belong to the workers. They also state that their low salaries have caused a series of problems such as overdrawn accounts, hunger, and misery. Low wages have also caused trained technical experts to leave the group. Finally, they urge their grassroots members to remain firm and united behind their objectives.

To Declare Workers 'Deserters'

PY271850 Madrid EFE in Spanish 1802 GMT 27 Jul 87

[Excerpts] La Paz, 27 Jul (EFE) -- The Armed Forces today warned the workers of the YPFB that they must return to work and also said striking workers will be declared "deserters" and will be tried by military courts. [passage omitted]

Labor Minister Alfredo Franco Guachalla today said that "YPFB workers are under military" control while the Armed Forces' intervention continues in the oil installations. [passage omitted]

The Interior Ministry today reported that a total of 29 oil workers leaders have been arrested throughout the country. According to the official report, 13 union leaders were arrested in La Paz, 6 in Santa Cruz, 1 in Sucre, and 9 in the district of Cochabamba. The Oil Union Federation, which has gone underground, has indicated that it will join the strike "despite the government's use of repression and its refusal to comply with just requests." [passage omitted]

The opposition has harshly protested the military intervention in Congress and has demanded a meeting of Congress to evaluate the occupation and its legality. Several deputies agree that the "military occupation" violates the nation's Constitution.

BRESSER EXPECTS AGREEMENT WITH CREDITORS THIS YEAR

PY280038 Brasilia Domestic Service in Portuguese 2200 GMT 27 Jul 87

[Text] Finance Minister Bresser Pereira today ended his talks in Washington. Before returning to Brazil, the minister said he hopes to reach an agreement with the creditor banks by the end of this year.

Once that agreement is reached, Bresser Pereira said he will not discard seeking an understanding with the IMF although this is not yet a government decision. He added that an agreement with the IMF will be the result of an agreement first reached with the banks. He said that the end of the moratorium will also depend upon the acceptance of the Brazilian proposal by the international banks.

Bresser Pereira's main objective is to conclude the basis of negotiations and separate agreements with the bankers and the IMF. Bresser indicated that because of this effort, Brazil is not eligible for the traditional type of agreements the IMF has with other countries, under which the IMF approves a letter of intent which must be fulfilled. If it is not fulfilled the IMF and the banks suspend payments. Bresser added that if Brazil follows that path it may jeopardize its recovery plan.

This information was provided by Pedro Luiz Rodrigues, first secretary of the Brazilian Embassy in Washington.

UN TO PROVIDE $12 MILLION FOR ANTIDRUG CAMPAIGN

PY241634 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Jul 87

[Text] Of the $12 million Brazil will receive from the United Nations for the antidrug campaign, half will be used for prevention programs. Part of the funds will also be used in training rural agents who will participate in enforcement along border areas.

This report has been released by Miguel Reale Jr, president of the Federal Narcotics Council. These resources will reportedly be released in September.

JUNE INFLATION NOT TO EXCEED 3 PERCENT

PY251256 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Jul 87

[Text] The IBGE [Brazilian Institute of Geography and Statistics] has reported that the estimated 2.8-percent inflation rate for June has not yet been confirmed, but they do not believe it will be much more than that. It could go up to 3.0 percent at the most, the IBGE added.

ARMY MINISTER CONDEMNS AMNESTY PROPOSAL

PY272233 Rio de Janeiro O GLOBO in Portuguese 25 Jul 87 p 5

[Text] Brasilia -- After an Army High Command meeting yesterday, Army Minister General Leonidas Pires Goncalves said: "I will be indiscrete. This new mitigated presidential formula, which has been proposed lately, is becoming the favorite one."

On the same occasion, Gen Goncalves said if amnesty is given to militarymen who have been dismissed from the Armed Forces for political reasons, as the Constituent Assembly is proposing to do, this amnesty would be a threat to the Armed Forces, and its approval would be "regrettable."

The minister said that in addition to military matters like promotions, the Army High Command analyzed the political process and the work being undertaken by the Constituent Assembly. With passionate words he said the amnesty granted to the dismissed militarymen is "excessively generous and unfair to Brazil." When a reporter insisted on the possibility of the Constituent Assembly approving the proposal that the Armed Forces have condemned, Goncalves reacted with irritation and tried to grab the reporter's tape recorder, which was finally seized by a guardsman. The minister charged the reporter with "promoting intrigue."

"Your question is very inappropriate, and you should not have asked it. I would agree with it, if it was decided by the Constituent Assembly, but I cannot tolerate your question for a very simple reason: A Constitution is something very serious, and you, young man, are trying to promote intrigue, seeking to record my statements and instigate intrigue as you have systematically done," he said.

When he calmed down a bit, Gen Goncalves gave three reasons for condemning the proposal for amnesty that the Constituent Assembly is considering: 1) The amnesty that has already been granted is as broad, just, and generous as it could possibly be. There is nothing else we can give, unless we want to be unfair to those who remained members of the Armed Forces; 2) Those who want to rejoin the Armed Forces will have the right to do so, despite the fact that they no longer qualify because of their 23-year absence; 3) The back salary payments. The nation cannot afford it. To get an idea of the amount, the Navy calculated it and came out with a figure of 10 billion cruzados, which is equivalent to two-thirds of the Navy budget. This information is enough to prove that Brazil cannot afford the amnesty that the Constituent Assembly is considering, he concluded.

GALLUP POLL SHOWS SARNEY'S POPULARITY INCREASING

PY240126 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 23 Jul 87

[Text] The Gallup Institute has released the result of a poll showing that the popularity of President Sarney has increased after the implementation of the Bresser Plan. According to the survey, 49 percent of those polled said they have confidence in the president. Before the implementation of the Bresser Plan only 11 percent said they had confidence in Sarney. The president was so satisfied with the results of the survey that he showed them to the deputies who met with him today.

The survey polled 1,200 people in Sao Paulo. According to other results of the same survey, 50 percent of Sao Paulo residents approved of the government's economic measures, while 39 percent disagreed with them.

PDC 'STATEMENT' ON SUPREME COURT DECISION

PY241635 Asuncion LA TARDE in Spanish 23 Jul 87 p 7

[Text] The Christian Democratic Party [PDC] has released a statement explaining its position on the Supreme Court decision confirming a resolution by the Central Electoral Board refusing to grant legal recognition to the PDC as a political party.

The PDC statement says "the decision denying the registration of the PDC in the Central Electoral Board is the reaction of a hesitant and nervous person who wants to strike a treacherous blow because of his own fear. This explains why the regime waited 17 years to strike. It did not realize that during that time the PDC increased its moral strength, its civic presence, and its political power in Paraguay." The statement adds: "The current regime, which implements a scorched earth policy and feels suffocated by its isolation and the repudiation of all nations, made a serious mistake of unpredictable consequences by denying the PDC registration. The regime has weakened its position in the relationship of the political, economic, and social forces both at the national and international level."

The statement goes on to say that "from now on the friendly political parties and democratic governments around the world will strengthen their solidarity with the Paraguayan people in order for their democratic organizations and institutions to exert greater pressure to put an end to tryanny in our country." The statement also says: "We know truth is on our side and the basis of the Supreme Court decision is not even worth the cost of the paper on which it was written. The people will not forget those who signed it. It adds: "The people should know and rest assured that both the procedure and the judicial reasons invoked by the PDC strictly comply with the rules of the Constitution and current Paraguayan laws. This has been recognized by well-known Paraguayan and foreign jurists and specialists in constitutional rights and legal proceedings."

The statement concludes by saying that "the PDC, which is faithful to its democratic doctrine and consistent with its support for the cause of the people, by complying with the resolutions of its national conventions, confirms its decision to continue its struggle to conquer its legitimate right to be recognized and registered. It will not abandon its struggle regardless of the consequences because it fully believes in its causes, because national dignity demands it, and because it is the fervent desire of our people."

POLICE RELEASE FEBRERISTA PARTY LEADERS

PY241505 Asuncion EL DIARIO in Spanish 24 Jul 87 p 87

[Excerpts] Yesterday morning police prevented the Febrerista Party-sponsored "civility assembly" from being held in the vicinity of the Palace of Justice. Several people were reportedly arrested, although they were released a few hours later. [passage omitted]

Shortly after the police arrested the demonstrators, Doctors Julio Cesar Vasconcellos and Juan G. Granada filed a court injunction on behalf of the detainees, requesting their immediate release. Margarita de Gonzalez Casabianca was released at noon. Dr Fernando Vera and youth leaders Rodrigo Zelada and Victor Dure were released by mid-afternoon. The other detainees were released later.